FINANCIAL TIMES, January 29, 1976

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NEWS SUMMARY

ENERAL

Fear of resumed Cod War

gainst a background of reports menacing movements by elandic gunboats and assurances from Mr. Wilson that sumed harassment of British awlers would see the return ; British frigates, there were creasing fears last night of e start of a new phase of the d War.

In the continuing absence of reply from Reykjavik to the est British proposals, the ime Minister has re-emphasised e need to avoid incidents in a ssage to Mr. Geir Hallgrimsson, ime Minister of Iceland.

Mr. Hallgrimsson, speaking on ykjavik radio last night, said was not yet ready to give any rmal statement on the London lks.

Meanwhile, Norway asked Iceland to raise the annual quota of caught inside its unilaterally-lared 200-mile limit.

In Washington the Senate d to establish a 200-mile fish-limit off U.S. coasts, but the will not become law until ry, 1977, to give the UN Law the Sea conference more time to work out an international treement on fishing zones. Back Parliament, Page 14

ambia: state of nergency

dent Kaunda of Zambia last declared a full state of gency to counter what he a grave security situation. sing the nation on radio V he said: "We as a nation prepare for the worst. We what war. Make no mistake. e is foreign interference in country." Referring to ola, he said: "The effects of gn intervention are now g felt in Zambia."

Hlunteers leave for Angola war

100 British mercenary ers were yesterday on their to fight against the Soviet MPLA and its Cuban forces in Angola. With Page 23. U.S. aid defeat.

n lady is now Amazon

Margaret Thatcher came renewed fire from the Press last night for her speech warning of the military threat. The on correspondent of Komsomolskaya Pravda added the iption of warring Amazon Moscow media's earlier of iron lady. Mrs. Thatcher Stock Exchange, Page 7

press abortions authorised

n's largest abortion charity, British Pregnancy Advisory e, has been given ssion by the Department of h to offer day-care abortions next week.

da cleared

ld Bailey jury last night d that the book Inside Lovelace is not obscene. costs of the publisher, ch Hanau Publications, ordered to be paid out of funds.

fly . . .

ic Bravery, a 275,000-ton supertanker, was last still on the rocks at Page 8

e a Warr, former Labour nservative Minister, died heart attack in London y. He was 75.

Commodore Ferdinand ast surviving air VC of World War, is 80 today. retired from the R.A.F.

BUSINESS

Equities up 5; Pound firmer

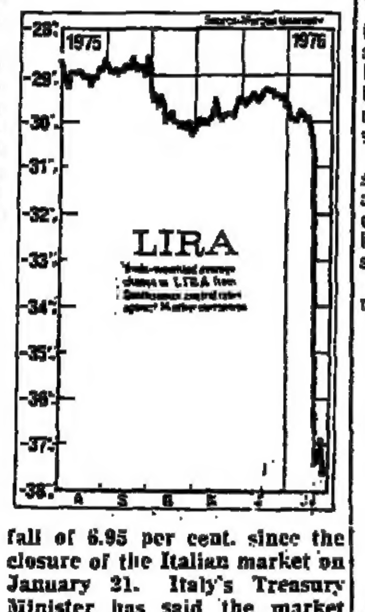
● EQUITIES followed Gilts upwards, though business was slow. The FT 30-share index closed 5.1 up at 404.6.

● GILTS strengthened on hopes of a further cut in MLR and continuation of the Fed's moderate monetary policy in the U.S. The Government Securities index rose 0.23 to 63.84.

● GOLD gained \$1¼ to \$128¼.

● WALL STREET closed 6.46 off at 951.35.

● STERLING closed 25 points up at \$2.0290. Its depreciation narrowed to 29.9 per cent. (30.0) and the dollar's widened to 2.33 per cent. (2.31). The lira weakened against the dollar and its depreciation widened to 37.67 per cent., a



fall of 6.95 per cent. since the closure of the Italian market on January 21. Italy's Treasury Minister has said the market will remain closed until a government capable of forming an agreed economic policy is formed. Page 6

● PLOWDEN committee report recommends a single Central Electricity Board to run the electricity industry in England and Wales. Back Page

Coal to cost 15% more

● COAL prices are to rise by about 15 per cent. in April, putting 15 per cent. to 20 per cent. on electricity costs by summer. Back Page

● BP has lowered its estimates of North Sea oil reserves by about 15 per cent. and at the same time says the cost of developing the Forties Field will be £800m., nearly double the original estimate. Back Page

● SHELL, in a move that may intensify price competition further, is to guarantee the profitability of its petrol station dealers as protection against price-cutting. Page 8

● UNEMPLOYMENT in the EEC is now more than 5.3m. but could be nearing its peak, according to the Brussels Commission.

● U.K. INDUSTRY lost fewer working days through strikes last year than in any year since 1963, official figures show. Page 8

● IRISH BUDGET imposes heavy tax increases on luxury commodities, including 10p a gallon on petrol and increased duty on drink and tobacco. Page 6

● CHAMPAGNE sales reached their second best year yet in 1975, with 122.2m. bottles sold, according to the producers' association. The record was in 1973, when 124m. bottles were sold.

COMPANIES

● DUNFORD & ELLIOTT lost £2.41m. in the second half of 1974-75, making an overall deficit for the year of £1.21m. against a profit of £2.09m. for the previous 61 weeks. Page 18

Controversy mounts over proposals

Working party set for vital talks on equity bank to-day

BY STEWART FLEMING

A crucial meeting of the Working Party of institutional investors which has been examining whether to set up a new "equity bank" is planned for this morning against a background of mounting controversy about the initiative.

It is clear from documents distributed among members of the various institutional investment groups — the insurance companies, pension funds, unit and investment trusts — that widespread reservations have been expressed about the draft proposals which would establish an equity bank with a capital of £500m., of which £50m. would be paid-up.

The equity bank—Equity Investments Limited (EIL), as it is to be called — will break new ground for these investors, for they would take on the role of putting funds directly into industry, instead of via the Stock Exchange, without in some cases seeking a return for up to five years.

Thus, the draft envisages that it may be necessary for insurance companies to seek special Department of Trade approval for the investment, which would not otherwise be admissible for solvency margin calculations.

The draft does, however, suggest that in the longer term, assuming EIL is successful, the owners might seek a stock market quotation for the company's stock.

The draft and accompanying memorandum make it clear why the "support role" for EIL has become so controversial and has provoked divisions inside the groups on the working party.

Support role

The accompanying memorandum suggests that some of those who have given evidence to working party members see this "support role" as potentially more important than the provision of equity capital.

The memorandum makes it clear that the support role would probably bring EIL into a close relationship with the Institutional Shareholders Committee (ISC), the institutional "ginger group" whose aim is to try to identify companies with poor managements and use shareholders' votes to bring about changes.

Fears that the institutions might find they are surrendering some of their influence to EIL lie behind the controversy about EIL's support role.

The failure to agree on the significance of this section of the report led to Tuesday's inconclusive meeting.

The Working Party's draft makes it clear that the support role fell outside its original terms of reference when it was established in October.

These were: "To consider whether, and if so to what extent, the existing machinery of the capital markets needs to be supplemented so as to increase the availability of equity-type capital for industry where circumstances and prospects justify it."

Thus, the "support role" emerged as a result of subsequent concern about shareholders' responsibilities, and in particular, to deal with criticism of institutions that they failed to take sufficient interest in the companies in which they invest.

The Working Party draft says that it "detects a growing body of feeling that, if a means could be found, institutional investors might in particular cases play a more positive role in the affairs of the company in which they invest and they might consider EIL to be a suitable instrument for collective action."

It adds that merchant bankers in particular saw a use for EIL in this context.

The assistance of EIL might be sought, it says, "to provide, if requested, assistance to the Institutional Shareholders' Committee" and "to seek the names

Continued on Back Page

Government concordat with unions still secure

BY JOHN ELLIOTT, LABOUR EDITOR

THE CONCORDAT between the Government and the TUC is secure for several months more, despite the growing level of unemployment.

This was the main message from yesterday's monthly meeting of the TUC's general council after several days of outspoken exchanges on the Government's economic plans.

Meeting on the eve of to-day's key Commons debate on unemployment, TUC leaders firmly rejected by 25 votes to five an attempt to call an emergency Congress, which would disrupt their social contract relationship with the Government. They then tabled a five-point list of immediate demands aimed at creating jobs.

But they backed up this tacit acceptance of a continuing high level of unemployment with stern warnings that they could only hold this line so long as their members believed the social contract was working in their interests.

Mr. Len Murray, TUC general secretary, put the overall TUC view when he said later: "The essential framework of co-operation is still intact, but there could come a point where the support of our members for that policy could ebb away and we want to stop that happening . . .

"We are now saying to the Government: 'Don't take the trade unionists of this country for granted. Don't put the TUC in a position where we are no longer able to persuade our members that this is the best way forward'."

Rough year

TUC general council members had recognised that "we are in for a rough year on unemployment," but they also felt it could be a "damned sight rougher" if the Government and TUC did not have their present policies, he added.

Several union leaders at yesterday's council meeting were concerned that their members might become restive because they did not know about the TUC's efforts in persuading the Government to take measures aimed at alleviating unemployment.

The special relevance of this is that almost all the TUC leaders expect to face the toughest union annual conferences of their careers this spring and summer, just at the time when they are trying to win the conferences' support for a fresh deal with the Government.

At the same time opposition to the unions' continued acquiescence with the level of unemployment will continue to build up from the Left-wingers

Continued on Back Page
Economic Viewpoint Page 17

Mass walk-out halts Linwood

BY TERRY DODSWORTH AND CHRIS BAUR

THE GOVERNMENT'S £162.5m. rescue plan for Chrysler U.K., which a senior Chrysler executive stressed once again yesterday was dependent on improved industrial relations, was put into jeopardy when 6,000 workers at Linwood, Scotland, walked out on strike, halting all production.

The dispute, caused by a disagreement about pay rates for some 50 redeployed packers, occurred as Mr. Gwain Gillespie, executive vice-president Europe for the parent Chrysler Corporation, emphasised at a Commons committee investigation that recovery in the U.K. was dependent on improved industrial relations.

"A company such as Chrysler U.K. cannot continue to operate where there are intermittent labour problems," he said.

Mr. Gillespie was in effect repeating the warnings made in the agreement between the Government and the company, that unless the strike record and productivity at Chrysler improved, further tranches under the Government's grant and loan programme would not be paid.

The first grant of £12m. to cover the company's operating losses was paid out earlier this month; a second grant of £6m. is due to be paid by the Government in mid-February.

The company also faces the possibility of another white-collar union dispute at its Stoke engine plant in Coventry, although most of the 800 members of the Association of Scientific, Technical and Managerial Staffs there decided to return to work yesterday to allow for negotiations. The management hopes to resolve the problem today.

Both the management and shop stewards at Linwood agreed that the strike could jeopardise the rescue deal—it was a "desperately dangerous situation for the workers" said Mr. John Carty, the shop stewards' convener, but each side blamed the other for the impasse.

Mr. Don Lander, the Company's managing-director, is to meet the Scottish shop stewards to-day. Chrysler said it was particularly concerned about the situation since the Linwood plant had benefited most from the aid agreement negotiated just before Christmas.

Under that agreement, since endorsed by votes of workers at each Chrysler plant, the Linwood factory will lose 1,500 jobs next month with the remainder of the 8,000 planned redundancies taking place at the Coventry and Stoke factories.

The Linwood strike has been caused by the implementation of the agreed closure of the company's Johnstone packing plant and the transfer of some 50 workers—half the labour force—from there to the main plant at Linwood.

Packers at Linwood represented by the Transport and General Workers' Union have traditionally been paid the same rate as production operators and, according to the shop stewards, this works out at about £1 a week more than the pay rate enjoyed by the Johnstone packers.

The company says it cannot increase the rates of pay to the transferred Johnstone men without breaching the Government's pay code, although it is willing to discuss the issue in its summer pay round.

Hopes of improvement in industrial relations Page 7

£ in New York

—	Jan. 28	Previous
Spot	\$2.0285-0295	\$2.0290-0300
1 month	0.64-0.73 dis	0.62-0.77 dis
3 months	2.35-2.50 dis	2.37-2.52 dis
12 months	8.25-8.15 dis	8.26-8.15 dis

Hint of relaxation in Price Code

BY ADRIAN HAMILTON

A STRONG hint that the Government is prepared to relax the Prices Code to allow higher profits when the code is revised this summer was given yesterday by Mr. Robert Maclennan, Parliamentary Under-Secretary at the Prices Department.

He told a Financial Times conference on counter-inflation in London that the Government intended "to provide more scope for industry to invest.

"A prime condition for this is an adequate profit margin. The Government is now committed to give priority to industrial development over consumption, both public and private."

He admitted that "price control has helped to sharpen the focus on the relationship between price levels and the level of profit and investment," and added that "unless there is a national concensus on the priority of profits, the country will not achieve the investment it needs so badly."

Mr. Maclennan's remarks—given in place of Mrs. Shirley Williams, the Prices Secretary, who was ill—represent the most direct public statement yet from the Government on the need to relax the price code to encourage investment.

Strategy

They also illustrate the extent to which all Ministries are now advancing the case for the Government's industrial strategy, of which the key aim is to divert resources from the public and service sectors to manufacturing industry.

The argument that profits must be allowed to rise and price controls as they now exist be abolished or drastically revised has been stressed time and again by the Confederation of British Industry.

Sir Campbell Adamson, CBI director-general, emphasised in his speech to the same conference industry's two key demands in the next phase of the counter-inflation policy — that current price controls should be abolished and that the present flat-rate ceiling on wage rises should be replaced by percentage increases with no top wage limit.

While CBI leaders privately admit that they may well have to compromise on these demands, they are clearly more hopeful than for some time that the Government is now moving in their direction.

Financial Times conference Page 8
Coalmen deny excessive profits Page 8

Spanish PM disappoints reformists

BY ROGER MATTHEWS MADRID, Jan. 28.

SENOR CARLOS ARIAS, Spain's Prime Minister, to-day promised controlled progress towards a more democratic system, but refused to talk about political parties, did not mention the possibility of free trade unions, and ruled out a general political amnesty.

Initial reaction from Centrist and Left-wing parties to the 75-minute speech—on which so many hopes for the country's future rested—ranged from deep disappointment to bitter hostility.

This was even echoed by some more liberal members of the predominantly Right-wing Cortes, whom the Prime Minister was addressing.

Sr. Fidel Carazo, a Cortes deputy, said: "This speech is a step back 20 years, both in time and ideas."

Another deputy, Sr. Josep Melia, said: "It was a speech based in Franquism, and not in the monarchy," while Sr. Jesus Esperabe considered that since the basis for political evolution was still centred on the idea of "associations," it was already doomed to failure.

Individual

In his wide-ranging speech, Sr. Arias emphasised that the form of democracy the Government was seeking would be individual to Spain and would owe nothing to other Western forms of government.

The basis laid during the rule of General Franco would be conserved and improved on.

He foresaw a possible widening of the law on political associations to permit all Spaniards who accepted the basic constitutional laws the right to take part.

The electoral law would be examined, but there was no pledge of universal suffrage.

Nor was there any mention made of a referendum, which had been considered vital for any serious attempt to reform the constitution.

The Prime Minister also discussed the formation of a two-chamber Parliament, both with equal rights, but there was no indication of how this might come about.

However, he thought it would be a useful step forward.

The Premier drew most consistent applause when he threatened political groups who tried to disturb public order with the full weight of the law.

The Communists were again ruled out from participation, which would be open only to those willing to accept the established rules.

A spokesman for the Communist-led Junta Democratica said to-night that democracy in Spain was impossible without the Communist Party and described the speech as "a big step backwards."

Among the Prime Minister's other promises were new regulations to broaden citizens' rights to hold meetings and changes to the law affecting demonstrations.

The penal code would be revised, especially concerning the anti-terrorist law, which makes the death penalty mandatory for killing policemen and provides heavy punishment for a wide number of acts against the state.

There was a further hint that the courts which try only political offences would eventually be abolished.

No timetable was proposed for any reforms, except that they would be presented during the lifetime of the present Cortes, now extended until the middle of next year.

Amnesty

Semi-official sources said that the absence of concrete measures was due to the difficulty of reaching agreement within the Government and that the Prime Minister did not wish a hostile response from the Cortes.

On the question of a political amnesty, which Left-wing parties believe has to be the essential first step on any road to democracy, Sr. Arias reminded his listeners that there were only half the number of people in jail to-day compared with the month before the outbreak of civil war in 1936, when the population was much smaller.

The Government would continue to study the possibility of cutting the number of prisoners further.

The Government also recognised the regional differences of Spain and the commission just formed to look at the problems of the Basque provinces would be followed by a similar one for the Barcelona region — the Premier did not refer to Catalonia as such.

While this might give the regions more say, Sr. Arias again stressed the essential unity of Spain and said that the regime would not tolerate any attempts at separatism.

Apart from generalisations on economic aims, such as full employment and a fair incomes policy, he announced that inside three months he would send two laws to the Cortes for approval —one on fiscal reform and the other to clamp down harder on financial frauds.

Industrial sectors that can expect to benefit from Government aid in the near future include the hard-hit shipbuilding companies.

Editorial Comment Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 13pc 1990 ...	£99	+ ⅜
Allied Rpe 1981 ...	£101	+ ¾
Armstrong	198	+ 7
Baird (Wm.)	93	+ 7
Cavenhams	112	+ 6
Charterhouse	348	+ 5
Concrete Intnl	46	+ 5
Furness	166	+ 4
Haden Carrier	222	+ 7
Hall (M.)	300	+ 10
Hambros Land	137	+ 9½
Hambros & Shanghai	340	+ 15
Lampa	367	+ 5
Lex Service	443	+ 19
Macarthys	133	+ 6
Ozalid (arris)	50	+ 4
Sandhurst	201	+ 3
Sidlaw	121	+ 6
Utd. NZ	58	+ 6
Morris (H.)	71	+ 4
Myson Group	99	+ 4
Reed Intnl.	282	+ 8
Reyrolle Parsons	101	+ 4
Sime Darby	125	+ 6
United Newspapers	262	+ 7
Vosper	91	+ 10
Weston Pharm.	77½	+ 5
Williams Hudson	16½	+ 3
Yarrow	143	+ 8
Burmah Oil	58	+ 4
Cons. Tea and Lands	340	+ 20
Anglo United	90	+ 7
Libanon	565	+ 25
Northgate Exploration	335	+ 45
Pancontinental	£12½	+ ½
Silvermines	61	+ 4
Westfield Minerals	155	+ 23

FALLS

Henlys	77½	− 3
Leyland Paint	25	− 6
Pot. Plat.	172	− 8

FEATURES

ON OTHER PAGES

For latest Share Index phone 01-246 8026

LOMBARD

A global nervous breakdown

BY C. GORDON TETHER

"SOUTH AFRICA'S growing economic blitzkrieg notwithstanding," said the writer of a recent article on the Management Page of the South African Financial Gazette, "more and more companies are getting tough with their executives because they work too hard." It seems that the South African business community has just about the worst health record in the world and that this is being interpreted to mean that its dynamic approach is proving to be counter-productive — so much so, indeed, that it makes the utmost sense to start trying to sober it up.

What I would like to ask is whether the same kind of comments cannot be made of the national growth-consciousness that has been such a prominent feature of the global scene during the past 20 years or so?

It is obviously important to lose no time in commencing the assault on the immense problems that have got to be resolved between now and the close of the century if our civilisation is to survive. Yet it is also essential that we should first make sure that the approach is one that will be able to stay the course. For the world simply cannot afford the waste of time and dislocation associated with economic cataclysms of the kind that has engulfed it in the mid-1970s.

Addiction

It is customary to attribute the onset of the first major recession the world has experienced since the inter-war years to the disruptive impact of the massive rise in fuel prices on national economic structures which were already under strain from the onward march of the inflation phenomenon. But closer analysis suggests that it is, in reality, the product of something closely resembling a global nervous breakdown—one largely precipitated by the addiction to top-speed growth regardless of the consequences that characterised the behaviour of the pace-setting countries in the preceding years.

The "patient" is, of course, now taking a prolonged enforced rest. And the question that he is—or rather should be—asking himself as convalescence reaches the point at which he will have to start thinking of picking up the threads again is how, in the light of this chastening experience, he should conduct his life in future.

I say "or should be" because so far there are, unhappily, few indications of a general awareness that the world recession is not just an accident attributable to an unfortunate conjunction of adverse factors that is never likely to occur again. Certainly, the fashionable assumption seems to be that, as soon as the debris has been cleared away, confidence will return and we can all get back to the mode of economic life we were pursuing beforehand.

The Japanese, it is true, seem to have got near to seeing the light. For they have recognised that there can be no going back to the impressive growth rates they were regularly clocking up before the recession struck. And they have also been stressing that the world's best hope of acquitting itself well in relation to the formidable challenges that will be confronting it during the last quarter of the century lies in putting a much greater emphasis on the economic advancement of the have-nots.

But Japan is very much the exception. Elsewhere in the industrialised world the talk is, for the most part, very much about getting back to "normal" as soon as the wages-prices spiral has been slowed down to a sufficient extent to make it possible to do so without precipitating another inflationary explosion. And "normal" for these purposes is high growth rates geared, in the main, to the promotion of consumerism.

That is a great pity. Needless to say, since the recession is creating unemployment on a scale calculated to accentuate the social unrest prevailing in many countries, it is only to be expected that governments will see themselves under a compulsion to get the national economic wheels turning faster just as soon as they can. But one would have hoped that the lessons taught by the experiences of the past few years would have gone home to a sufficient extent to make them want to devote a lot of attention to a question they should have been asking themselves all along: what now should be the most appropriate economic policy objectives and how can we best set about achieving them?

The present state of the world not only demonstrates that the old adage about more haste making for less speed has a considerable relevance to the way in which we manage our economic affairs. For those of us who live in the affluent countries, it also raises the question of whether the determination we have been manifesting to press on with such speed is not to a significant extent misdirected.

Are we serving the interests of our own people best by attaching such a high priority to the raising of consumer living standards? And are we doing the right thing by the world as a whole in developing such a pre-occupation with our own advancement when a third of humanity is living in poverty?

RACING — BY DOMINIC WIGAN

Mr. Midshipman can sail in

TWO IMPROVING recent winners, Mr. Midshipman and Winter Chimes, clash in to-day's Paxton Novices Chase at Huntingdon and I shall be disappointed if they fail to present Midland racegoers with a closely-fought finish.

Mr. Midshipman, who shares top weight of 11 st 10 lbs with Winter Chimes, seems likely to head the market. A neck runner-up to the more experienced Irish Tony at Teesside on January 6, where Winter Chimes was pulled up after a bad mistake at the 10th, Mr. Midshipman went on to run out a decisive winner of Market Rasen's Horncastle Chase eight days ago.

Always travelling smoothly for Colin Tinkler, who is again in the saddle, Mr. Midshipman produced a useful turn of foot on the run-in, which carried him four lengths clear of the favourite, Coole Abbey, from whom he was receiving only 7 lbs. Primerello was a further six lengths away in third place.

Martin Blackshaw, who has fully recovered from the concussion and bruising he received when Gay Future died while leading in the Tockwith Hurdle at Wetherby 10 days ago, also renews association with his mount, Winter Chimes.

At Wolverhampton 10 days ago, the combination managed to land the Bescot Chase, in which Winter Chimes drifted from an opening show of 7-1 to 12-1. Driven up to challenge Happy Gift in the final 100 yards, Winter Chimes got his head in front a few yards from the post to win by a neck.

The remaining runners are likely to be out of their depth and I take Mr. Midshipman to get the better of Winter Chimes.

A second race in which Blackshaw may have to be content with the runner-up spot is the Wyton Chase over three miles. His mount Drumadar, who fell before being remounted to land a similar event at Market Rasen (where sole rival Stearline also came down) is unlikely to give 21lb to Mr. Snowman, a three-lengths winner from Prairie Dog at Ascot on his last appearance.

At to-day's other meeting, Taunton, where there are nine races, the safest proposition is surely Roi de Frontiere, among the runners for Div. II of the Fresh Start Novices Hurdle.

Mrs. Diane Oughton's four-year-old gave a praiseworthy performance last time out when getting up to defeat Baronet in a 14-runner event at Windsor on January 12.

HUNTINGDON
1.15—Arrow Head
1.45—Mr. Snowman***
2.15—Blighty
2.45—Canasta Lad
3.15—Mr. Midshipman**
3.45—Railway Child

TAUNTON
12.30—My Bid
2.00—Roi de Frontiere*
3.00—Firing Line
4.00—Sea Picture

SALEROOM — BY ANTONY THORNCROFT

Mementos of the gentry sought

THE FIRST DAY of the sale of antiques and chattels from the home of Lord Camoys at Stonor Park near Henley was a tremendous success. This was the more pedestrian part of the auction (the major items of furniture are sold to-day) but even so £42,065 was realised against a pre-sale estimate by Phillips, who organised the event, of about £19,000.

Most of the buying was done by one dealer, Mrs. Phil Mayo, who has an antique shop in Hart Street, Henley. She spent £30,750 and acquired 176 of the 290 lots. There was obviously an incentive for her to buy goods which had once belonged to the Big House four miles away. Rather ironically, she had originally sold to Lord Camoys some of the pieces that were up for sale.

This was particularly true of the stuffed birds and mammals which Lord Camoys collected in recent years and which sold yesterday for over £13,000. It has proved a shrewd investment. For example, a jay which he acquired for £25 was sold for £280. Other very high prices were the £380 from Hillman for a Golden Eagle, taken in Ross, in 1833, and the £350 from Mrs. Mayo for a group of British and foreign birds.

The highest prices were paid for pictures. Mrs. Mayo gave £3,200 (double the sum forecast) for "Great Marlow on Thames" by George Vicat Cole and the same price for "The Last Gleam," an 1879 work by Benjamin Williams Leader (estimate £2,000). Mrs. Mayo also paid £1,600 for a William Murray portrait of a Hunter and Cohen bought a river landscape by Lacroix de Marseilles for £1,500.

The feature of the sale however, was the elevated price often paid for humble domestic objects. This is quite usual in country house sales where local people are keen to acquire some memento of the gentry. Obviously the great amount of publicity surrounding Lord Camoys' decision to sell a house which had been in his family for over 900 years increased the interest.

Kitchen scales

Thus a leather desk blotting pad, estimated at £2, sold for £42, an old linen basked made £20, and a set of brass kitchen scales, which were expected to go for about £50, were finally knocked down for £180. All the lots were sold yesterday and there were over 800 people present. Afther this start Phillips is expecting some high bids to-day when the choicer pieces come up for sale.

The same interest in domestic items was apparent at Sotheby's Belgravia, where textiles were the feature of a furniture sale. A set of Morris and Co. curtains (made around 1900) sold for £240, and an early 20th century Donegal carpet went for £220. The sale totalled £21,044.

A Mexican four reales gold coin of Philip V of 1730, which had been estimated to make around £70 at a Sotheby's coin sale yesterday, was bought by Lobell, a London dealer, for £2,500. It was the feature of an impressive auction which totalled £108,134. A New York dealer paid well over the £2,500 estimate when he gave £4,000 for a 1795 dollar.

Around the other salerooms, Christie's sold jewels in King Street for £100,624, with a best price of £8,800 paid by Waskinski for a diamond necklace. Its South Kensington rooms held a successful picture sale which realised £24,243, with strong European buying pushing prices above forecasts. A pair of pictures by D. M. Henry showing a grouse and a pheasant went for £1,150.

At Bonham's books sold for £12,255 with Hammond paying £1,500 for a first edition of Schedels "Liber Chronicarum," with 1,800 woodcuts, produced at Nuremburg in 1493. Philips held an auction of Japanese works of art in Blenheim Street and brought in £26,267, Wilson obtaining a lacquer cabinet on a stand for £4,000.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161.) ENGLISH NATIONAL OPERA. Tonight, Sat. & Tue. 7.30 La Belle Helene. Tomor. 7.30 The Merry Widow. Wed. 7 Tosca.

COVENT GARDEN. 240 1066. THE ROYAL OPERA. Tonight & Mon. 7.30 Benvenuto Cellini. Tomor. 7.30 La Boheme. Sat. 7 Le Nozze di Figaro. Wed. 7.30 Cavalleria rusticana and Pagliacci. Seats available tonight, Sat. & Mon. THE ROYAL BALLET. Sat. 2 The Four Seasons, Symphony, Petrushka. Tues. 7.30 Swan Lake. Seats available Sat.

SADLER'S WELLS TH. Rosebery Ave., EC1. 837 1672 (recorded bkg. inf. 278 5450). Until March 20. Evs. 7.30. Mats. Wed. & Sats. 2.30. D'OYLY CARTE in GILBERT & SULLIVAN. Tonight, tomor., Sat., Mon., Tues. & Wed. The Mikado. Seats available 50p-£2.50.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Matinees Thur. Sat. 3.00. VIRGINIA McKENNA, ANGELA BADDELEY, JOSS ACKLAND in A LITTLE NIGHT MUSIC. Plays and Players Award—BEST MUSICAL OF 1975. Seats available for Matinee today.

ALBERY. 836 3878. Repertory Season. Mat. today at 3. Saturday at 8.15. Mon., Tues. and Wed. at 8. DOROTHY TUTIN, TIMOTHY WEST, DEREK JACOBI, JOHN TURNER in A MONTH IN THE COUNTRY. "AN ECSTATIC EVENING." S. Tel. Tonight and tomor. 8. Mat. Sat. 2.45. JANE LAPOTAIRE, TIMOTHY WEST, PAULINE JAMESON, LYNN FARLEIGH in ROOM WITH A VIEW. "AN ENCHANTING EVENING." Punch.

ALDWYCH. 836 6404. Inf. 836 5332. Royal Shakespeare Company. Opens today at 2.0, then Friday 7.30. Sat. Matinee 2.0. HENRY IV PART 1. Opens tonight 7.0, then Saturday 7.30 HENRY IV PART 2. RSC at ROUNDHOUSE—see R.

AMBASSADORS. 836 1171. Evgs. 8.00. Mats. Tues. 2.30. Sat. 5.30, 8.30. HAPPY AS A SANDBAG. THE WONDERFUL HIT MUSICAL. "Delightful. Don't miss it." D. Exp.

APOLLO THEATRE. 437 2663. RONALD PICKUP in The Award-Winning Comedies by ALAN AYCKBOURNE. THE NORMAN CONQUESTS. "BEST PLAY OF THE YEAR." Evening Standard Drama Award. R'ND & R'ND THE GARDEN Tnt. 8.15. Sat. 8.30, Wed. 3.0. TABLE MANNERS Tomor., Mon., Wed. 8.15. LIVING TOGETHER Sat. 5.30, Tues. 8.15.

CAMBRIDGE. 836 6056. Evenings 8.0. Wed. and Sat. at 5.00 and 8.15. Michael DENISON, Derek GRIFFITHS in THE BLACK MIKADO. "Best Musical 75 & probably 77." S. Tms.

CASINO THEATRE. 01-437 6877. Evgs. 7.30. Mat. Wed., Th., Sat. 2.30. DANNY LA RUE. "Blazes a glamorous trail." Evg. News. In QUEEN DANNIELLA. "Big, flashy comedy." Sunday Mirror. "A lot of fun." Daily Mirror.

COMEDY. 930 2578. Last perfs. Tont. & Tomor. 8. Sat. 5.30, 8.30. Mat. Today 3. FRANCIS MATHEWS, LEIGH LAWSON, AMANDA BARRIE. "Samuel Taylor's joyous comedy." S.M. A TOUCH OF SPRING. "Effervescent direction by Allan Davis." "THE AUDIENCE WERE WEAK WITH LAUGHTER." Fin. Times. "THE FROLIC IS SUCH FUN." Evg. News. Ends Sat.

CRITERION. 930 3216. Evgs. 8.15. Mats. Thurs., Sat. 5.00. Season extended. Tom Stoppard's ROSENCRANTZ AND GUILDENSTERN ARE DEAD. "I strongly recommend it to anyone." Fin. Times.

DRURY LANE. 01-836 8108. Evgs. 7.30. Matinees Wed. and Sat. 2.30. MICHAEL CRAWFORD in BILLY. A NEW MUSICAL. "MICHAEL CRAWFORD A WHOPPING WONDERFUL STAGE STAR." News of the World. "HE AND HIS SHOW ARE A TREAT." Sunday Express.

DUCHESS. 836 8243. Evenings 8.00. Fri., Sat. 6.15 and 9.00. OH! CALCUTTA! NOW IN ITS 6th YEAR. "Breathtakingly Beautiful." S. Tel. "The Nudity is Stunning." D. Tel.

DUKE OF YORK'S. 836 5122. Mon. to Th. 8. Fri. and Sat. 5.30 and 8.30. LESLIE PHILLIPS, ROY KINNEAR. "Two of the funniest men of the British Stage." "Laughs come thick and fast." ROGER'S LAST STAND.

FORTUNE. 836 2238. Red. Price Prevs. From tomor. 8. Opens Tue. 7. Subs. Mon., Tue., Wed. and Fri. at 8. Thurs. and Sat. 6 and 8.30. A new musical THE LADY OR THE TIGER.

GARRICK. 01-836 4601. Evgs. 8.15. Mat. Wed. 3.00. Sat. 6.00 and 8.40. RICHARD BRIERS. "Marvellous." Gdn. ABSENT FRIENDS. "ALAN AYCKBOURN'S FINEST FUNNIEST PLAY." H. Hobson. S. Times.

GLOBE. 01-437 1592. Evenings 7.30. Matinee Wed., Sat. 3.0. LAST 5 WEEKS. JUDI DENCH, IAN McKELLEN, ANNA CALDER-MARSHALL in TOO TRUE TO BE GOOD by Bernard Shaw.

GREENWICH. 858 7755. Evenings 8.0. Mat. Sat. 2.30. VIVIEN MERCHANT, CONSTANCE CHAPMAN in LOVE'S OLD SWEET SONG.

HAYMARKET. 930 9832. Evenings 8.0. Mat. Wed. 2.30. Sat. 5.0 and 8.15. Edward Woodward, Geraldine McEwan, Jennie Linden, Edward Hardwicke in Frederick Lonsdale's ON APPROVAL. "You should rush to see it." Dly. Tel. "It got my approval." Evg. News. "An evening of comic delight." Harold Hobson, Sunday Times.

HER MAJESTY'S. 930 6606. Evgs. 8. Mats. Wed. 2.30. Sat. 5.45 and 8.30. The New Hit African Musical IPI TOMBI. "PULSATING MUSICAL." Evg. News. "The huge cast is superb." S. Times.

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.0. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW. "BEST MUSICAL OF THE YEAR." Evening Standard Drama Award.

LYRIC IN REPERTORY. 01-437 3686. Tnt., tmr., Mon., Tues., Wed 8.0. Sat. 5.0 and 8.30. Mat. Wed. 3.0. JOAN PLOWRIGHT, HELEN MIRREN, JOHN MOFFATT, FRANK GRIMES and PETER McENERY in THE SEA GULL. Thur. Feb. 5 to Wed. Feb. 11 THE BED BEFORE YESTERDAY.

MERMAID. 248 7656. Food 248 2835. Evenings 8.15. Mat. Fri., Sat. 5.15. RICHARD BECKINSALE is "side-splittingly funny." D. Mail in FUNNY PECULIAR. "Mike Stott's exceptionally fine, vastly entertaining, brilliant comedy." S. Times. "More good laughs than any other play in London." Observer.

NEW LONDON. 01-405 0072. Sat. Jan. 31 and Sat. Feb. 7 at 8.0. BRUCE FORSYTH in his own "one-man" laughter show.

OLD VIC. THE NATIONAL THEATRE. 928 7616. Today & Tues. at 2 (Reduced price Mats) Mon. at 7: HAMLET. Uncut text, runs 4 hours. Note early start. Ton't. & Tues. at 8: HAPPY DAYS. Tomor. 7.30, Sat. 2.15 & 7.30: PLUNDER. Some seats held for sale day of performance from 10 a.m.

PALACE. 437 6834. Mon. to Th. 8.00. Fri., Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR.

PALLADIUM. 01-437 7373. Evgs. 7.30. Mats. Wed., Thurs., Sat. 2.45. LULU, RON MOODY, RACHEL GURNEY in PETER PAN.

PALLADIUM. 01-437 7373. BOOK NOW! Opens Feb. 2 at 7.30. Subs. Tu., Th. & Feb. 9 at 8.0. Wed.-Sat. 6.15 & 9.0. Fri. 9.0 only. For 2 weeks only. SHIRLEY MacLAINE. Feb. 16 for 2 weeks only. From America in Concert EDDIE FISHER, LORNA LUFT. Box Office Now Open.

PHOENIX THEATRE SEASON 1976. Evenings 8.0. Mat. Th. Sat. 3.0. ROCK HUDSON, JULIET PROWSE. "I DO! I DO!" For 7 weeks only. Tel.: 01-836 8611.

PICCADILLY. 437 4506. Mon.-Thur. 8.00. Fri., Sat. 6.00, 8.40. KWA ZULU. "Probably the most compulsive enjoyable musical show in London." F.T. "A joyous occasion indeed." Sun. Exp. Must end Saturday, Feb. 14.

QUEEN'S. 01-734 1166. Evenings 8.00. Mat. Thur. 3.00. Sats. 5.30 and 8.30. ALAN BATES in OTHERWISE ENGAGED. A new play by SIMON GRAY. Directed by HAROLD PINTER.

RAYMOND REVUE BAR THEATRE. 734 1593. (7, 9, 11 p.m. inc. Sunday.) PAUL RAYMOND presents THE FESTIVAL OF EROTICA '76.

REGENT. 323 2707. Evenings 8.30. Fri. and Sat. at 7.00 and 9.15. 2nd YEAR OF SENSATIONAL STAGE SHOW OF THE '70s. LET MY PEOPLE COME. AN ADULT MUSICAL. "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROUND HOUSE. 267 2564. Evgs. 8. Thurs. & Sat. 5 & 8.30. RSC present THE IK. Directed by Peter Brook.

ROUND HOUSE "DOWNSTAIRS." MAN IS MAN. Prev. Tomor. 7.30. Opens Mon. 7. HAMLET Prev. Tue. 1.30. Opens Wed. 6.30.

ROYAL COURT. 730 1745. Ton't, Tmr., Sat. at 8. Seats £1.50. COLIN BLAKELY in JUDGEMENT by BARRY COLLINS. A National Theatre Production. Directed by PETER HALL. "A play you must not miss." Mail. James Bolan, Jane Asher & Stephen Moore in Christopher Hampton's TREATS. Prev. Wed. at 8. Opens Thu. next 7.

ST. MARTIN'S. 836 1443. Evenings 8.00. Mats. Tues. at 2.45 and Sat. 5.00, 8.00. AGATHA CHRISTIE'S THE MOUSETRAP. World's longest-ever run. 24th YEAR.

SAVOY. 836 8888. Evenings at 8.00. Mats. Wed. at 2.30 and Sat. 5.00. Barbara MULLEN and Derek BOND in AGATHA CHRISTIE'S MURDER AT THE VICARAGE.

SHAFTESBURY. 836 6596. Evgs. 7.30. Matinee Sat. 3.0. ARTHUR LOWE, JOHN LE MESURIER, CLIVE DUNN. DAD'S ARMY. "Funny and touching . . . total artistic success." Sunday Times.

SHAW. 01-388 1394. Evenings 7.30. J. P. Donleavy's THE GINGER MAN.

STRAND. 836 2660. Evenings 8.0. Mats. Thurs. 3.00. Sats. 5.30 and 8.30. Doris Hare, McDonald Hobley, Arthur Howard, Barry McGee in NO SEX PLEASE, WE'RE BRITISH. Directed by Allan Davis. LONDON'S LONGEST LAUGH. 5th YEAR.

TALK OF THE TOWN. 01-734 5051. From 8.15. Dining and Dancing. At 9.30 New Revue SWEET TEMPTATION & at 11 p.m. DIANE SOLOMON. Opening Monday next: PETERS AND LEE.

THEATRE ROYAL, STRATFORD. E.15. 01-534 0310. C. G. BOND'S JUDGE JEFFREYS. Opens Wed. at 7. Subs. Evgs. at 8.

VAUDEVILLE. 836 9988. Evgs at 8. Mats. Tues. 2.45. Sat. 5 and 8. Margaret LOCKWOOD, Paul DANEMAN and Barrie INGHAM in DOUBLE EDGE. "IT IS FAR AND AWAY THE BEST THRILLER IN TOWN." Punch.

VICTORIA PALACE. 834 1317. Evgs. 8.00. Wed., Sat. 6.00 and 8.45. MIKE YARWOOD. BOOK NOW—Must end Feb 28. Special reductions and concessions—apply Box Office.

WEMBLEY EMPIRE POOL. 902 1234. Mon. to Fri. 7.45. Mats. Wed. and Thurs. at 3.0. Sats. at 2.0, 5.0 and 8.0. MUSICAL SPECTACULAR ON ICE. DICK WHITTINGTON. Children and OAPs half-price except Sat. Ample parking. Pay at doors.

WHITEHALL. 01-930 6692-7765. Evenings 8.0. Sat. 6.45 and 9.0. PAUL RAYMOND presents "Britain's No. 1 Sex Symbol" FIONA RICHMOND in COME INTO MY BED.

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID. Twice Nightly at 7.00 and 9.00. 2nd SENSATIONAL YEAR.

WYNDHAM'S. 836 3028. Evenings at 8. Mats. Wed. 3. Saturday 5 & 8.15. JIMMY JEWEL in COMEDIANS by Trevor Griffiths. "The most exciting play in London." Sun. Times.

YOUNG VIC (by Old Vic). 928 6363. Tnt. 8 Othello.

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1: BARRY LYNDON (A) Wk. and Sun. 2.25, 7.55. 2: THE SUNSHINE BOYS (A) Wk. and Sun. 2.00, 5.30, 8.30.

CURZON. Curzon St., W.1. 499 3737. Peter Falk, Gena Rowlands in John Cassavetes' A WOMAN UNDER THE INFLUENCE (AA). Film 2.45, 5.30, 8.15. Late Sat. 11 p.m. "Cassavetes' most important movie to date." S. Telegraph. "Gena Rowlands' performance is worthy of an Oscar." D. Exp. Last 7 Days.

EMPIRE, Leicester Square. 437 1234. Hustle (X). Progs. Daily 2.30, 5.30, 8.30. Sep. Perfs. All seats bookable. No phone bookings.

LEICESTER SQUARE THEATRE. 930 5252. The Return of the Pink Panther (U). Cont. Progs. Mon-Fri. 1.00, 3.00, 5.35, 8.10. Sat. 12.20, 3.00, 5.35, 8.10. Sun. 3.00, 5.35, 8.10. Circle seats may be booked.

ODEON LEICESTER SQUARE. (930 6111.) Charles Bronson in Breakheart Pass (A). Cont. pgs. Wk. 1.00, 3.20, 5.50, 8.20. Sun. 3.20, 5.45, 8.20. Late Show Fri. & Sat. 11.45.

ODEON HAYMARKET. (930 2738-2771.) Dustin Hoffman "Lenny" (X). Sep. progs. Wk. 2.00, 5.15, 8.30. Sun. 4.30, 8.00. Late show Fri. & Sat. 11.45. All seats may be booked.

ODEON MARBLE ARCH. (723 2011.) Great Expectations (U). Sep. Progs. Wk. 12.45, 4.15, 8.00. Sun. 4.15, 8.00. All seats may be booked.

PLAZA 1 & 2 Regent St., S.W.1. 930 8494. Sep. Perfs. All seats bookable. Box Office 11 a.m. to 7 p.m. (not Sun.). No phone bookings. 1. Jaws (A). 1st perf. 1.00, 2nd perf. 3.35, 3rd perf. 6.00, 4th perf. 8.30. 2. Jaws (A). 1st perf. 2.00, 2nd perf. 4.35, 3rd perf. 7.00, 4th perf. 9.30.

PRINCE CHARLES. Leic. Sq. 437 8181. 2nd Great Year. EMMANUELLE (X). Sep. Perfs. Dly. (inc. Sun.) 2.45, 6.15, 9.00. Lte. Show Fri. and Sat. 11.45. Seats Lic'd Bar.

RITZ, Leicester Sq. 437 1234. 3 DAYS OF THE CONDOR (AA). Progs. 1.45, 3.50, 6.10, 8.30.

SCENE 1, 2, 3, 4. Leic. Sq. (Wardour St.). 439 4470.

SCENE 1. Cont. dly. 12.30. Lte. Fri. & Sat. 11.45. Ken Russell's Lisztomania (X). Progs. 12.30, 2.50, 7.05, 9.25. Lte. show Fri. & Sat.

CINEMAS ARE CONTINUED ON PAGE 14

TV/Radio

† Indicates programme in black and white.

BBC 1

9.41 a.m. For Schools, Colleges. 12.15 p.m. On the Move. 12.45 News. 1.00 Pebble Mill. 1.45 Trumpton. 2.00 You and Me. 2.15 For Schools, Colleges. 3.30 The 60, 70, 80 Show. 3.58 Regional News (except London). 4.00 Play School. 4.25 The Wombles. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.15 Charlie Brown. 5.40 Ivor the Engine.

5.45 News.
6.00 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.40 Happy Ever After.
8.10 When the Boat Comes In.
9.00 News.
9.25 The Good Old Days.
10.10 Omnibus.
11.00 To-night.
11.35 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m. Chigley. 5.15-5.40 Bilidowcar. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 11.35 News for Wales.

Scotland—9.41-10.01 a.m. For Schools. 6.00-6.45 p.m. Reporting Scotland. 11.55 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. 11.35 Northern Ireland News.

England—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

11.00 a.m. Play School.
6.15 p.m. Open University.
7.05 Avventura.
7.25 Weather.
7.30 Newsday.
8.10 A Portrait of Michael Bentine.
†9.00 Midweek Cinema: "On The Waterfront," starring Marlon Brando.
10.45 Film Night.
11.10 Newsnight.
11.25 Closedown: David Markham reads "The Dizzy Summer Calf" by Norman MacCaig.

LONDON

9.30 a.m. Schools Programmes. 12.00 The Laughing Policeman. 12.10 p.m. Rainbow. 12.30 Perfect Pets. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 Justice. 3.55 General Hospital. 4.25 The New Land. 5.20 Indoor League Championship of Champions.

5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 The World at War.
8.00 This Week.
8.20 Bless This House.
9.00 Clayhanger.
10.00 News.
†10.30 Thursday Star Movie: "Only Two Can Play," starring Peter Sellers and Mai Zetterling.
12.20 a.m. Campaigners in Print.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Romper Room. 4.55 Spiderman. 5.20 The Geordie Scene. 6.00 About Anglia. 6.20 Arena. 7.00 Six Million Dollar Man. 10.30 Play Squash Jonah's Way. 11.00 Grift. 11.55 Living and Growing for Adults. 12.30 a.m. The Living Word.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. †4.25 Feature Film: "Go Man Go." 6.00 ATV Today. 7.00 Space 1999. 10.30 McMillan and Wife. 11.55 Eric Delve.

BORDER

†1.20 p.m. Border News. 2.00 Women Only. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 6.00 Border News and Lookaround. 7.00 The Six Million Dollar Man. 10.30 Not For The Nervous: "She Waits," starring Patty Duke and David McCallum. †11.55 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 Children's Matinee: "Namu The Killer Whale." 6.00 Channel News. 6.10 Adventures of the Seaspray. 7.00 Six Million Dollar Man. 10.30 Inner Space. 11.00 Chopper One. 11.30 News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Batman. 6.00 Grampian Today. 7.00 The Six Million Dollar Man. 10.30 Sportscall. 11.10 Police Surgeon. 11.40 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 4.25 The Flintstones. 4.50 Survival. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. †6.30 Command Performance. 7.05 The Six Million Dollar Man. 10.30 Good Health. 11.00 Kung Fu. †11.55 Silents Please.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Daily Fable. 5.25 Crossroads. 6.00 Report West. 6.18 Report Wales. 6.35 The Best in the West. 7.05 Six Million Dollar Man. 10.30 Trash or Treasure. 11.00 The Protectors.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25-4.50 Bie Yn Y Byd . . . ? 4.50-5.20 King Kong. 6.00-6.18 Y Dydd. 6.35-7.05 Sports Arena.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Women Only. 4.25 Tarzan. 5.20 Laceybuttonsnoppers. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Larry Looks Lightly. 7.00 Space 1999. 10.30 Night Out. 11.00 Late Call. 11.05 Dilemma.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.25 Tarzan. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day By Day. 6.35 Survival. 7.00 Six Million Dollar Man. †10.30 The Late Thursday Film: "The Captive City," starring John Forsythe. 12.05 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 5.20 Tell Me Why. 6.00 Today At Six. 7.00 The Six Million Dollar Man. 11.30 The Streets of San Francisco. 11.35 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 4.25 Born Free. 6.00 UTV Reports. 7.00 Six Million Dollar Man. 10.30 Let's Play Bridge. 11.00 What's It All About.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 Children's Matinee: "Namu, The Killer Whale." 6.00 Westward Diary. 7.00 Six Million Dollar Man. 10.30 Westward Report. 11.00 Chopper One. 11.30 Westward Late News. 11.33 West Country Job Finder. 11.40 Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 6.00 Calendar. 7.00 Six Million Dollar Man. 10.30 Emmerdale Farm. 11.25 A Matter for Concern.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett, including the new Top 30 LPs, and at 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's DLT OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Support Your Local. 7.30 Folk 76 (S). 8.02 Folkweave (S). 9.02 Wally Whyton's Country Club (S), including 10.02 Sports Desk. 11.02 Don Durbridge with The Late Show (1,500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Roussel (S). 9.45 Bartok and His Contemporaries (S). 10.50 Margaret Neville in German Songs (S). 11.15 Concert from Glasgow, part 1: Beethoven, Jindrich Feld (S). 12.05 p.m. Interval Reading. 12.10 Concert, part 2: Arne Nordheim, Tchaikovsky. 1.00 News. 1.05 Bradford Midday Concert: Beethoven, Mussorgsky. 2.00 BBC Welsh Symphony Orchestra: Dvorak, Mendelssohn (S). 3.25 Composer's Portrait: Bernard Rands talks about himself and his music (S). 4.20 Cherubini and Beethoven: chamber music concert (S). 5.25 Pied Piper (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: The Wider World. 7.30 Schumann song recital (S). 8.00 Rozhdestvensky and the LSO, part 1: Vaughan Williams. 8.35 The University in Society (talk by Professor Hugh Trevor-Roper). 8.55 Concert, part 2: Scriabin and Debussy (S). 10.00 The Poetry of Andrew Young 1885-1971. 10.35 Sonata Recital (S). 11.25-11.30 News.

RADIO 4

434m, 330m, 285m and VHF
‡ Medium Wave only

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.05 Today including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 These You Have Loved. ‡10.00 News. ‡10.05 From Our Own Correspondent. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 Mr. and Mrs. Parkinson. ‡11.50 James Herriot: The World's Favourite Vet. 12.00 News. 12.02 p.m. You and Yours. 12.27 My Music (S). ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 3.50 Jack de Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Just A Minute. 6.45 The Archers. 7.00 News Desk. 7.30 Any Answers? 8.00 Something to Declare. 8.45 Analysis. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only) 9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Sound Out. 4.32 Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Rail. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

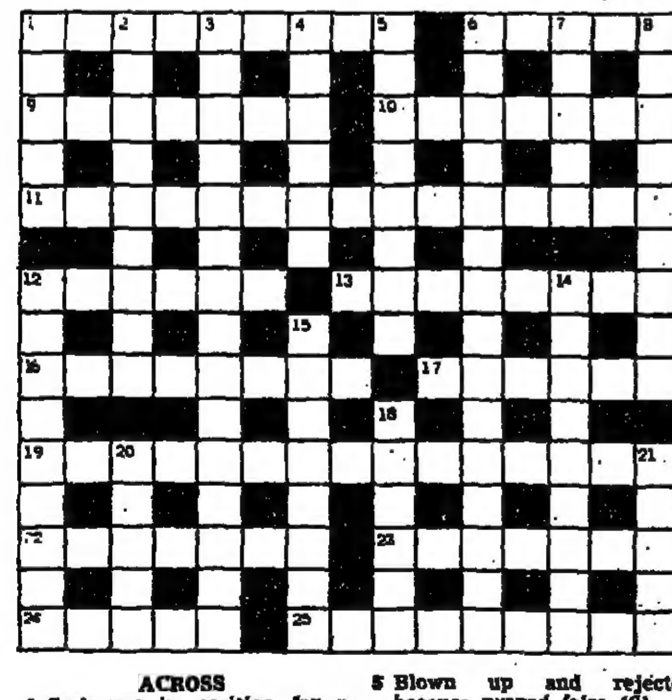
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM": breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 3.00 Newsbreak. 7.30 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt. 2.00 a.m. Night Flight.

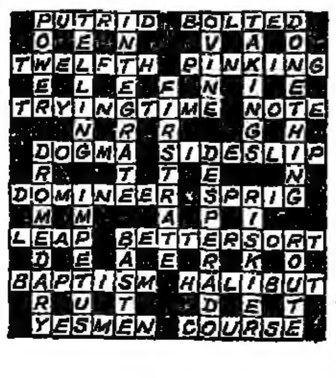
F.T. CROSSWORD PUZZLE No. 2,991



ACROSS
1 Sack put in position for a source of heat . . . (9)
6 . . . beat from the southern throng (5)
9 The fall of some French coin (7)
10 Philosopher takes on squad (7)
11 Doing as one wishes and enjoying it (8, 7)
12 Come back about shape (6)
13 Enthusiasm for a sharp point (8)
16 Church official agrees with being . . . (8)
17 . . . the same with a man less for words spoken in undertones (6)
19 Subsequent training and a cool drink to chase after (9, 6)
22 Enmity which is bad before and after start of week (3-4)
23 Trimmed round church and dried up (7)
24 Strip in sheath on ground (5)
25 In consequence of which and when (9)

DOWN
1 Tired of being satiated (3, 2)
2 Was considerate and well thought of (9)
3 A source of gratification to observe monarch looking for fun (8, 7)
4 Be present at a race to the finish (6)
5 Blown up and rejected because proved false (8)
6 Direct one's ways to form one southern race (5, 4, 6)
7 What adobe may be used to create (5)
8 Declares lists of cargoes (9)
12 Reserve takes rest outside coach (9)
14 Trees with fruit for church office (9)
15 Run after money—it's important in business (4, 4)
18 Three times as much left in rubbish (6)
20 Paper wrapper for a book of that size (5)
21 Finish aboard in the direction in which the bow points (3-2)

Solution to Puzzle No. 2,990



Photographers' Gallery

Helmut Newton & Hideki Fujii

by WILLIAM PACKER

Photograph by Hideki Fujii

The Photographers' Gallery, that admirable institution in Great Newport Street, has just celebrated its fifth birthday. To survive so long in these difficult times, and in such good health, is a considerable achievement, for which it deserves every congratulation. Stepping into an obvious but ominous gap and filling it effectively, it has made itself indispensable. We should be lost without this small but always lively and interesting gallery, a clearing house for information as well as a shop-window to the profession.

At the time of its inception, there was much discussion on the nature of Photography and the claims it entertained to the higher status of Art: and exhibitions of photographic work in art galleries were still unusual enough to excite controversy. We made too much of the medium's aesthetic potential, perhaps, and discounted for a while its mundane applications: preciosity and special-pleading were more than common. But in the face of general indifference, or at best scepticism, such over-active responses had some excuse. And, with all this going on, the Photographers' Gallery, under its director Sue Davis, simply and practically got on with the business of showing the best of photography of all kinds, both in terms of content and intention. News, Fashion, Documentary, the Landscape, and the Human Figure, clothed and naked, active and passive, all have had their day.

There at the moment, until February 7, is an exhibition of work by two photographers whose reputations, established and international, have been made in the field of fashion. Both of them, in their different ways, demonstrate that subjection to the special needs of a particular discipline, far from blunting the eye and judgment, may actually hone them to a fine edge. The work they show is not exactly fashion photography, though a few of the images have already appeared in the glossies, but close to it, and springing from it. Their contrasting sensibilities are curiously complementary.

Helmut Newton's work is deliberately and openly erotic: indeed it goes further, conducting a fascinating indulgent flirtation with the pornographic. And yet the tension is ultimately defused by the nicety of his taste, and the self-mockery inherent in all he does. His is the eroticism of style quite as much as that of content. The more obvious the nakedness of his beautiful women, the less effective it is, and even somewhat ludicrous at times. His work derives its strength from the wealth and ambiguity of its implications.

Newton is a surrealist of a particular kind, and the atmosphere of elegant decadence, laced with the aura of incipient terror and violation, recalls especially the later films of Buñuel. Heavy summer nights beside the pool, smooth lawns, beautiful clothes, and inside the rich apartments, the plush curtains and thick carpets and then the sudden concentration upon the fetish detail, a red shoe or black suspender. Bodies lie half out, half in the picture, more often than not less than half-dressed, but so carefully exposed. What on earth is going on?

The work of Hideki Fujii stands in direct contrast: it is calm, clear, a little remote, and consciously and exquisitely beautiful. And to set it alongside such strong and disturbing works as Newton's is to give all its virtues a particular emphasis. The temperature drops, and, instead of puzzling over surrealistic possibilities, we are faced with the examination and refinement of an idealised imagery, with the clarity and simplicity of its realisation, and the precision of its composition.

Fujii, as you may guess, is Japanese, and his photography is rooted deep in the traditions and pictorial conventions of Japanese Art. Though he may use Western models, and put them into Western clothes, in the height of fashion, he confers upon them an Oriental definition, in terms of the exact and stable image he makes of them. And of course he uses his compatriots as models too, dressing them in the ancient costume of Japan, dressing their hair in the ancient manner, piled high and pinned dramatically.

Their faces and bodies he masks with paint, making them ever more remote and fascinating. They are the heirs to the beautiful women of Ukiyo-e, the Floating World, those far-off actresses and geishas of Utamaro, Kunisada and Kuniyoshi, seductively discreet.

Should you wish to visit this excellent and stimulating exhibition, remember that the Photographers' Gallery is closed on Mondays.

Record Review

Both sides of the moon

by ELIZABETH FORBES

Orff. Der Mond. Büchner. Suss/Kegel/Leipzig Radio Chorus/Leipzig Radio Symphony Orchestra. Philips 6700 083 (two records in box). (£6.20)

Tippett. A Child of our Time. Norman, Baker, Cassilly, Shirley-Quirk/BBC Chorus, BBC Singers, BBC Choral Society/BBCSO/Davis. Philips 6500 985. (£3.10)

Sherrill Milnes. Arias by Verdi, Saint-Saens, Massenet, Grétry, Weber / Ambrosian Opera Chorus/New Philharmonia/Santi. RCA ARL1-0851. (£2.99)

Kathleen Ferrier and Bruno Walter. Schubert, Schuman, Brahms / E. Lush / Ferguson, Wordsworth, Rubbra. Decca Mono 6BB 197-8 (two records). (£3.95)

No two works, roughly contemporary and both written for the human voice with orchestra, could well be more different from each other than Carl Orff's *Der Mond* and Michael Tippett's *A Child of our Time*. The only trait they have in common is their dissimilarity from type: *Der Mond* is not a conventional opera, while *A Child of our Time* is a most unusual oratorio.

Orff's libretto for *Der Mond*, subtitled "*Ein kleines Welttheater*" (A little Theatre of the World), is a morality play based on one of Grimm's tales. One part of the world owns the Moon, hung on an oak tree outside a tavern; four men from the other part of the world steal the Moon, cart it away in a wheelbarrow, and hang it up on their—exactly similar—oak tree, outside their—identical—tavern. They care for it and keep it full of oil until, one by one, they die. Each has a quarter of Moon buried with him in his coffin, and after the fourth fellow has been lowered into the vault of the dead, the earth is moonless. Down in the vault, the four men emerge from their coffins, join the quarters of Moon together again, and hang it up. The unaccustomed light wakes up the rest of the dead, who immediately start drinking, playing cards, throwing dice and rolling skittles.

The din becomes so great that Peter, the elderly doorkeeper of Heaven, comes down to see what the noise is about. He joins in the party, and encourages the dead to carouse until they collapse stupefied and exhausted. Then Peter returns quietly to Heaven, taking the Moon with him, and hangs it in the sky for all to share. Scored for string quintet and vast numbers of instruments to blow, bang, strike, shake and rattle, *Der Mond* uses speech, melodrama and arioso as well as the typical pounding rhythms familiar from *Carmina Burana*, written a couple of years earlier. There are also snatches of Weill-like melody, especially for the four moon-stealers, individually and collectively.

The most sustained lyrical music is allotted to the Narrator, a high tenor role sung at the 1939 Munich première by Julius Patzak. Patzak was again the Narrator in a memorable revival that I heard at the Vienna Volksoper exactly twenty years later. Peter (bass) is given some suitably philosophical declamation: is it stretching imagination too far to hear an echo of *Wotan-in-Wanderer's-disguise* in certain of Peter's reflections? The performance by the Leipzig Radio Chorus and Radio Symphony Orchestra, conducted by Herbert Kegel, is exhilaratingly fluent and idiomatic. Eberhard Büchner as the Narrator and Reiner Süss as Peter are both excellent. Moon-stealers, peasants, dead gamblers and drinkers are carefully characterised: the recording is spacious and well-balanced: full text with translation is provided.

Tippett began to write *A Child of our Time* two days after the outbreak of the second world war, and the work received its first performance in 1944. The text — by the composer — is an impassioned plea for the oppressed: not merely for the victims of Nazi persecution, but for the oppressed of all times and all places. The first large-scale work of Tippett's that I—and probably many other people — got to know, it has kept its directness of appeal and its personal tone of voice fresh and undiluted, though it is now possible to recognise the seeds from which sprang the luxuriance of *A Midsummer Marriage*, the angularity of *King Priam* and, in particular, the masterly lyricism of *The Knot Garden*, in the score.

The Philips recording is outstanding both for musical and technical virtues. Sir Michael himself, on the sleeve note, mentions the "passionate dedication and professional excellence of this disc." Colin Davis draws superb performances from the combined BBC choruses and the BBC Symphony Orchestra. For instance, the Spirituals that parallel the chorales in Bach's Passions are seamlessly woven into the fabric of the work, their heart-warming simplicity of utterance neither under-played nor over-stressed. Jessye Norman sings the soprano solos with thrilling tone and magnificent attack. Janet Baker is no less committed as the alto soloist. Richard Cassilly voices the Boy's tenor music with the total absorption that he brings to his roles in the opera house, while John Shirley-Quirk also sings finely as the bass soloist.

The first side of Sherrill Milnes's operatic recital record is devoted to scenes for baritone from three Verdi operas: *Macbeth*, *Luisa Miller* and *Un ballo in maschera*. Though these are generally well-sung, especially the long *Macbeth* excerpt, from Act IV, complete with chorus and a phrase or two from Macduff, the second side is really more interesting. "Qui donc commande quand il aime," the King's outburst of frustrated love from Saint-Saëns' *Henry VIII*, is a splendid aria, warmly sung. "Promesse de mon avenir," in which Scindia, the villain of Massenet's *Le Roi de Lahore*, expresses similar sentiments, also makes a strong impression. As Blondel, in Grétry's *Richard, Coeur de Lion*, Milnes succesfully lightens his voice in the minstrel's lyrical "O Richard! O mon roi!"

Nello Santi conducts the New Philharmonia and the Ambrosian Opera Chorus with plenty of spirit, if not quite sufficient differentiation between the styles of Italian, French and German (Lysiart's "Wo berg' ich mich?" from Weber's *Euryanthe*) operatic music. Finally, the two Kathleen Ferrier records, which need little comment beyond a warm welcome. They comprise a BBC broadcast from the 1949 Edinburgh Festival, in which Ferrier, with Bruno Walter at the piano, sings six favourite Schubert songs, Schumann's cycle *Frauenliebe und Leben*, and four songs by Brahms. Ferrier's voice sounds wonderfully life-like and accord between singer and pianist is obviously complete. That I find the interpretations too overtly emotional is a purely personal reaction, but I must confess that the fourth side, also a BBC broadcast, dating from 1953, is more to my taste. Ferrier, superbly accompanied by Ernest Lush, sings songs by Howard Ferguson, William Wordsworth and Edmund Rubbra.

Festival Hall

Barenboim

by DOMINIC GILL

As a heroic prelude to his cycle next week-end of the complete Beethoven concertos in the Albert Hall, and coincidentally to celebrate his Festival Hall debut 20 years ago this month, Daniel Barenboim played both the Brahms piano concertos on Tuesday with the LPO under Bernard Haitink, at a concert also broadcast live on Radio 3.

The two Brahms concertos make a daunting programme, not to be lightly undertaken. Few pianists dare it, and fewer still succeed: perhaps Rubinstein alone in the post-war years has made the coupling a habitual, memorable tour de force. Yet Barenboim carried off the evening in masterly and positively Rubinsteinian fashion. Both were performances of marvellous authority, discipline and energy—boundless energy, which ebbed and flowed, flared up now and then to white heat, but never flagged.

The first movement of the D minor concerto was both powerful and grave: driven with an impulse granite-hard, explosive with pent-up force, tremendous lyrical energy. There was much deft and beautiful detail—of phrasing and inner voice, and shifting balance within chords. The adagio was meted out, mysterious page by page, with Rubinstein-like (the parallel here was specially insistent) simplicity—calm, radiant, clear.

Clarity above all: of texture and gesture, intention and execution. Precise, unanimous accord between soloist and conductor, every lap, butt and dovetail perfectly synchronised. Was this truly the same pianist who played in the old Barbirolli recordings? Barenboim continued with an account of the second concerto a little more impulsive, less disciplined, but just as powerful. His sostenuto tempo-2 (poco moderato) in the first concerto had been perfectly judged: so too was his B flat allegro—well within non troppo limits, but pushed hard up against another, keener limit of tension and containment. He gave a splendid scherzo, full of broad line, broad humour, gusts of pure force: a rapt andante, of great tenderness; and a finale graciously driven, but driven nonetheless—a grazioso gale. A memorable evening.

Book Reviews appear on Page 25

Wigmore Hall

Takeno, de Saram, Iwasaki

by RONALD CRICHTON

Schubert's E flat Piano Trio (D929) drew a fine performance on Tuesday from the cellist Rohan de Saram and two young Japanese colleagues: violinist David Takeno and pianist Shuku Iwasaki. The concert was billed as "a programme of chamber music," followed by the three names, the implication being that the trio is not as yet a fixed ensemble or are they searching for a name? The first half of the evening, with Mozart and Kodaly, left an uneven impression. Further performances on the level of the Schubert, however, would be welcome. Here the playing was well integrated not only in the usual virtues of good ensemble, but in balance between the way the music took hold of the players and the way they contrived to shape it.

The pianist's singing tone in the ballad-like tune over a march rhythm in the slow movement (first cousin to that other Andante con moto in the C major Symphony) was proud as well as sensitive. Later the cello played it with even finer shading, but Schubert's strength in piano writing lay in other directions than romantic defiance of the keyboard's limited powers of sustaining tone. The finale, a wide-spanning rondo with two recalls of the tune from the slow movement, was successfully poised between too much freedom and too strict a control. Equally good was the steady but not mechanical rhythm of the scherzo and stamping trio.

Steadiness was not always in evidence in Mozart's B flat Trio K502, with which the concert opened. Here the pianist tended to streak ahead in her fast runs and the performance as a whole only showed intermittent grasp of the shape of musical paragraphs, let alone whole movements. The violinist produced compact, nutty tone of distinct quality but phrased jerkily. His intonation was off-and-on: it improved greatly in the Schubert, but never became totally reliable. Between the trios we heard Kodaly's Duo Op. 7, a rhapsodic work for violin and cello of much interest and even greater length, which needs a firmer sense of direction than Mr. Takeno (though he had eloquent moments) could offer. Mr. de Saram, on the other hand, seems to have the key to every style.

St. John's, Smith Square

Surrey students

by PAUL GRIFFITHS

Guildford is not such a bad place to be a music student, to judge by the exciting concert given on Tuesday by the University of Surrey Singers and Players. It was a very varied programme of 20th-century music they offered: rarely, indeed; can Stravinsky's Mass have appeared in the same concert as Bartók's Second Piano Concerto (in which the soloist was Martin Hughes). Apart from these two "classics," the evening included Lutoslawski's *Venetian Games* and two pieces by members of the university: *Inventions* by Sebastian Forbes, who is a lecturer in music there, and *Three Evocations* by Christopher Burn, a final-year student.

The Lutoslawski began the concert, and that in grand style. Under Forbes's direction the piece was done with a good deal of punch, and the aleatory nature of the writing lent itself well to performance by players whose tone shows more maturity than their rhythmic refinement. Difficulty with rhythm it was that most afflicted the account of the Stravinsky Mass, which was conducted by Nicholas Conran. The faults were not so very great, but even slight untidinesses and momentary hesitations tell heavily in a work of such strict exactitude. There was much to admire in the full, clear tone of the chorus, though they might have made more of the words, for no composer was more alive than Stravinsky to the sounds of his texts.

Performance problems were considerably less marked in the two home-grown pieces, perhaps because the composers were aware of the strengths and weaknesses of their forces. Forbes's *Inventions*, however, cannot have been easy to play. Scored for an ensemble of eight winds, four cellos, piano and percussion, the work is a set of nine epigrams, each succint and characterful. Possibly the most impressive were the sixth, with its lovely and richly coloured melody, and the declamatory eighth; certainly the oddest was the last, a "Lontano" whose rest was interrupted by a noisy brass eruption.

Burn's *Three Evocations* for string orchestra lacked Forbes's gift for concision. Having established his quite striking themes, he seems to have been able to do nothing more than repeat them, and he also has difficulty in bringing his movements to a close. The style is strangely inter-war, with reminiscences of Stravinsky and Honegger among others. Burn clearly has talent, but I doubt that he will want to be represented by this work in five years' time.

Greenwich

Love's Old Sweet Song

by B. A. YOUNG

Ashley Ashwood

Marion Diamond, Bernard Holley, Constance Chapman and Vivien Merchant

The picture is complete when the play begins: all that has to be done is to assemble the pieces of the jigsaw. The pieces are perversely scattered: they take in suburban marriages, they range from suburban Kent to Colombo, they cover the years between 1926 and 1963. Characters are born, grow up, die. Assembled, the pattern shows a dreary picture of maternal selfishness, a warning to every married couple against their mothers-in-law.

The couples are as follows: Nan (Constance Chapman) is married to Tom, a drinking publican, formerly a sergeant in the Irish Guards. She imagines that she spends her life doing kindnesses to her daughter and her two grandchildren, though in fact she is generally on the receiving end of any kindness to be seen. Her daughter Ethel (Vivien Merchant) married Alfred, a sergeant in the Gunners, and reluctantly allows him to father a son and a daughter, John and Kath. Nan henpecks Tom, and Ethel—only too eager to follow her mother's precepts — henpecks Alfred, so much so that she and the children return to England while he stays on in the Indian Army.

John marries a wise girl, Val, who sees the danger signals; but when we last see Kath there are indications that she is going to follow her mother. Indeed, after Nan's death, her mother follows her, to live next door and spend her declining years interfering in her family life.

This is the picture that John Hale has painted for us, and it is he, doubling as director, who helps in assembling the parts of it. The picture is a telling one: Mr. Hale is an able hand at pinning down the behaviour of ordinary men and women, and is particularly accurate against Service backgrounds. No doubt many people will recognise elements of their own lives in some scenes, exaggerated though they may be. Unluckily the pieces take too long to put together and often seem to overlap one another, so that we are merely being shown once more something we've already fitted in. Sometimes they even seem to be duplicates of other pieces.

Miss Chapman and Miss Merchant, for all the liveliness of their performances, cannot entirely keep tedium at bay, and as Tom, Esmond Knight encounters the familiar trap, that stage bores are liable to be real bores, however well they're played. Ewan Hooper as the Kiplingesque Alfred and Marion Diamond as Val are alone in appealing to our better natures; Bernard Holley's John might have done, but Mr. Hale keeps him so helplessly reserved that some of the disasters must surely be attributed to him.

Adam Faith in 'City Sugar'

Adam Faith will make his West End stage debut in Stephen Poliakoff's play *City Sugar*. The play will open in London on Thursday March 4 at the Comedy Theatre, with previews from February 28. Also in the cast will be Lynne Miller, Natasha Pyne and Hilary Gasson. *City Sugar* will be directed by Hugh Thomas, with designs by Robert Harris. The play will be produced by Michael White.

Bishopsgate Hall

Kocsis & Ránki

Two of the most promising young pianists of their generation, both in their early twenties and both Hungarian, Zoltán Kocsis (b.1952) and Dezsö Ránki (b.1951), made a brief appearance in London on Tuesday at a lunchtime duo recital presented by the City Music Society at Bishopsgate Hall.

It was an easy, informal concert, but none the less stimulating for its informality. We heard magical accounts of Bartók's seven tiny two-piano pieces from *Mikrokosmos*, done with zip, enthusiasm and care; and an exuberant performance (complete with an unashamed false-start of the third variation) of Brahms's *St. Anthony Variations* op.56b—the original of the better-known orchestral set. A false start there may have been, but no other false steps: vivid, brightly-coloured playing, as full of fun as sharp observation, richly romantic, classically poised.

Their finale with James Holland and Tristan Fry of Bartók's Sonata for two pianos and percussion was informed by the same genial precision and enthusiasm. Mr. Holland seemed a little disconcerted by his unfortunate cymbal entry on the first page, a beat early, and never really recovered his best form. It was a performance otherwise of real imagination and sparkle—a happy main course. Both young artists are as yet unrepresented in Britain. It was Kocsis I heard deputise so commandingly for Pollini last year at the Grange de Meslay: extraordinary that neither he nor Ránki (nor indeed their equally remarkable compatriot and contemporary Andras Schiff) have yet given a major London recital.

DOMINIC GILL

Welsh Opera's 30th anniversary

The Welsh National Opera celebrates its 30th anniversary in April.

New productions for this anniversary year will include *Il Seraglio* and *Il Trovatore* in the spring season, which opens on April 1: for the autumn season (which will begin with a special gala on August 31) there will be *Orpheus in the Underworld* and Tippett's *The Midsummer Marriage*—this work's first production except at Covent Garden.

Other productions in the spring season include *The Elixir of Love*, *Jenufa* and *Otello*. In the autumn season there will be a revival of *La Bohème* and further performances of *Boris Godunov*, *Il Trovatore* and *The Seraglio*.

A souvenir brochure has been produced to mark the anniversary. It will be available wherever the company is playing, or from the Welsh National Opera's Press Office, John Street, Cardiff.

WORLD TRADE NEWS

MOTOR INDUSTRY EXPORTS

Cars deficit of £31m. mars U.K. achievement

BY PETER FOSTER

A £31M. deficit in passenger cars marred an otherwise impressive contribution to the balance of payments last year by the motor industry.

The industry's overall trade surplus for the year was £1.505bn., 42 per cent. more than in 1974; this includes a large contribution from "other motor products," consisting of tractors, dump trucks, marine and industrial engines up to 200 bhp and other items.

Total motor exports last year were 40 per cent. higher than those of 1974 at a record £2.6bn.

Figures released to-day by the Society of Motor Manufacturers' and Traders show that commercial vehicle manufacturers increased their exports by 71 per cent. to £428m. Components, parts and accessories showed a 34 per cent. rise to top the £1bn. mark for the first time at £1.143bn.

Although the value of cars sent abroad increased by 16 per cent., car imports rose by 45 per cent. and their value was £31m. greater than that of car exports.

U.K. TRADE BALANCE

£m. (deficit − or surplus +)

	1975	1974
Cars	−31	+83
Comm. vehicles	+333	+159
Components	+757	+559
Other products	+441	+278

In volume terms, commercial vehicle exports rose by 13.4 per cent. to 181,000. Within this total, heavy trucks of over 10 tonnes showed the highest increase in value terms with a jump of 114 per cent. to £130m.

For the fourth year running components parts and accessories were worth more than both car and commercial vehicle exports. They accounted for 44 per cent. of Britain's export total while cars accounted for 18.7 per cent., commercial vehicles for 16.5 per cent. and other products for 20.5 per cent. On the import side cars accounted for almost half the total figure.

In December, the motor industry's balance was still increasing with car imports up by 28 per cent., commercial vehicle sales abroad up by 76 per cent., components up by 43 per cent. and other products 40 per cent. higher

Sir William Batty, president of the SMMT, said yesterday: "These figures show that Britain can do it. The message, particularly for cars, is that we must keep working for increased production, and they could come right too."

Honeywell buys Nippon components

By Christopher Lorenz, Electronics Correspondent

NIPPON ELECTRIC yesterday underlined the growing strength of the Japanese micro-electronics industry when it announced that it is to sell an annual £2.5m. of semi-conductor memories and other advanced devices to Honeywell.

Though small, the deal emphasises the strides made by Japan in recent years to close the gap with its U.S. competitors in the design and manufacture of so-called "large scale integration" (LSI) micro-circuits. More traditional logic circuits are also included in the deal.

The Nippon components will go into Honeywell computers, extending the range of co-operation between the two companies: Nippon already holds a licence on Honeywell's computer technology. The U.S. company is also drawing on Japanese know-how, and is now marketing a Nippon-designed small computer in Australia.

Sharp fall in Italian output

BY ANTHONY ROBINSON ROME, January 28.

OVERALL PRODUCTION of the Italian automotive industry fell 17.7 per cent. last year to 1,458,629 units compared with 1,772,515 units in 1974. This is the second consecutive year showing a decline—1973 production was 1,957,994 units, some 25 per cent. higher than the 1975 total.

The breakdown produced by the automotive manufacturers association Anfia shows that car production was hardest hit. Output last year at 1,348,544 units was 28,000 down on 1974 and as much as 475,000 units less than the 1973 level, the last pre-energy crisis year. Truck and industrial vehicle output last year at 103,673 units was 30,000 down on 1974 and 26,000 down on 1973. Bus and coach production at 6,412 units was 2,000 down on 1974 but 1,700 up on 1973 levels.

In spite of the sharp fall in production, however, the Italian industry, helped by heavy investment in new models from Fiat, Lancia and Alfa Romeo, has managed to push up car exports from 36 per cent. of total production in 1972 to 49 per cent. last year and truck exports from 36 to 44 per cent.

Last year, for example, exports totalled 709,925 units of which 661,310 were cars and 48,615 trucks and industrial vehicles. This was in line with 1974 totals, but whereas much of the 1974 production was not sold but stockpiled abroad actual export sales in 1975 rose by 9 per cent., thanks to a running down of these previously constituted stocks.

What is more the last quarter of 1975 showed a 21 per cent. rise in sales compared with the same depressed period of 1974 to indicate the first clear signs of a market upturn after 18 months of recession, short time working and heavy stockpiles.

Canada seeks urgent car talks with U.S.

OTTAWA, Jan. 28.

OTTAWA INDUSTRY Minister Don Jamieson plans to go to Washington soon to meet with U.S. Secretary of Commerce-designate Elliot Richardson to discuss the U.S.-Canada motor trade agreement and other trade matters. Jamieson said he did not think the 11-year-old treaty would be completely re-negotiated but he expected some changes would result from this talk between the U.S. and Canadian Goverments. A report by the U.S. international trade commission issued on Wednesday in Washington has concluded that the car pact primarily benefited the Canadian economy.

Richardson is to be sworn in as U.S. Commerce Secretary next Monday. Jamieson said he plans to go to Washington as soon as convenient to see Richardson to discuss a whole range of matters and of course the car pact would be prominent. Jamieson agreed there were problems but added: "I would not want to use the 'war'."

Finland may buy Hawk jets

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

HAWKER SIDDELEY Aviation is negotiating the sale of its Hawk ground attack/trainer aircraft with Finland, on the basis of an offset deal, with the U.K. buying a substantial quantity of Finnish products, including consumer items.

No figures are disclosed, but the deal could be substantial, with each Hawk costing around £1m.

As part of the proposed offset deal, Bentalls, the Kingston-on-Thames based stores group, is holding talks with the Association of Independent Stores, which represents more than 100 department stores in the U.K. with an annual turnover of £200m., on the possibility of a major U.K. purchase of Finnish consumer goods.

Mr. Rowan Bentall, chairman, is leading a team of buyers in Finland, and plans to stage a "Friendly Finland" event at his Kingston store in August.

Mr. Colin Chandler, Executive Director (Commercial) of Hawker Siddeley Aviation, who is with the Bentalls team in Finland, said: "These days a country considering the purchase of a military aircraft looks for the best overall deal.

"Such an aircraft will remain in service for 15 to 20 years and, therefore, a purchasing nation seeks the optimum combination of the right aircraft with the most competitive economic terms.

"With this in mind, HSA is endeavouring to provide as high a level of compensation as possible to Finland in the event of the Hawk being purchased.

"The 'Friendly Finland' event is one aspect only of the effort being put in, and is indicative of our broadbased approach to the offset programme required."

Success in winning a Hawk order from Finland would greatly improve the aircraft's sales prospects elsewhere

The aim of the talks with the Association of Independent Stores is to see if its members will follow Bentalls and lay on special Finnish weeks to boost sales of Finnish goods and thus help contribute towards the overall offset package

BAC in Intelsat Vs bidding

British Aircraft Corporation is among an international group of companies, headed by Hughes Aircraft of California, bidding for the contract to build the next generation of big international telecommunications satellites, the Intelsat Vs.

The Hughes group has submitted two proposals to the 91-nation International Telecommunications Satellite (Intelsat) organisation, embodying different types of satellite that would meet the need for a bigger spacecraft capable of handling expanding global telecomunications traffic up to 1985.

Intelsat is expected to announce contract decisions later this year. Companies associated with the Hughes bid, including BAC and Pilkington in the U.K., are Bristol Aerospace and Northern Electric of Canada; Thomson-CSF of France; Teldix and Telefunken of Germany; Selenia of Italy; Nippon Electric of Japan; and Cecsa of Spain.

Czech deficit grows

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

CZECHOSLOVAKIA, which has weathered the world trade recession better than the rest of Comecon, is nevertheless feeling the pinch and is now taking steps to check a growing trade deficit. Import targets are down, and the new Five Year Plan aims to make the economy more export-oriented. There are also signs that Czechoslovakia may borrow more from the West to finance its deficit.

According to officials here, Czechoslovakia's heavily industrialised economy made a big surplus on its trade up to 1974. But since then, slack demand for manufactured goods combined with higher raw material prices on world markets brought a deficit on visible trade which has wiped out the currency reserves accumulated in the early 70s.

The figures for 1975 have not yet been published. But officials say that underlying trends are worsening, and they hint that the gap could be around the 2,800m. crowns (about £120m.) chalked up in 1974.

Czechoslovakia recently made its first Eurocurrency borrowing for $60m. in West Germany and is using export finance offered by Western trade partners. Officials would not confirm plans to take new loans, but the possibility was not excluded.

Figures published here show that the actual terms of trade facing Czechoslovakia are not all that bad. Since 1972 export prices have risen 44.8 per cent., and import prices 44.5 per cent., giving Prague a small saving on its trade account. But the actual volume of Czech exports, particularly to the West, has not been up to expectations, and this is now the main worry.

Officials say that up to a quarter of Czech imports are not covered by exports. But exact figures will not be available for a month.

Most of this gap is with the West, where the overall imbalance "cannot be tolerated in the long term" according to Dr. Andrej Barcak, the Foreign Trade Minister, in a speech to foreign trade missions earlier this month.

Dr. Barcak blamed discrimination by Western countries—a reference to EEC policies and Britain's recent curbs on shoe and textile imports. But he also said the West should be readier to trade on a co-operation basis.

In the last five years, he revealed, Czechoslovak foreign trade had risen by 80 per cent., but the rate with non-socialist countries had been 88 per cent., largely because of the sharply rising cost of imports.

According to the new Plan figures, exports will go up 7 per cent. But within this figure sales of machinery should rise 11.3 per cent. to counteract the worrying decline of the share in total trade of engineering products, Czechoslovakia's traditional strong point.

Imports will rise 6.9 per cent., a significantly lower rate than was achieved in 1971-75. The share of non-Comecon countries in Czechoslovakia's total trade will be 39 per cent. by value, less by volume.

Volvo S. Africa

VOLVO, the Swedish car concern, confirmed to-day that it is not renewing its contract with the South African agent Lawson, John Walker reports from Stockholm. The main factors behind the break is one of currency devaluations, the demand for more local production and low profitability.

But if a buyer can be found to take over the South African operation Volvo are ready to start negotiations, a Volvo spokesman said. There have been some negotiations taking place between Volvo and a subsidiary of the Anglo-American Corporation, but these talks it is understood have been suspended.

Pharmaceutical exports up 24%

Exports of British pharmaceuticals in 1975 totalled £373m.—an increase of 24 per cent. over the previous record-breaking figure of £301.6m. achieved in 1974, according to provisional figures released by the Association of the British Pharmaceutical Industry.

With the level of imports at a virtual standstill—£97m. compared with £92m. in 1974—the industry provided a surplus of £276m., 32 per cent. more than the 1974 surplus (£201m.).

Egypt to sell oil to Greece

Egypt and Greece initialled a three-year trade protocol under which Egypt will export 400,000 tons of oil valued at $30m. to Greece annually, UPI reports from Cairo.

Swiss textiles

The Swiss textile chamber announced a decline of 13 per cent. in exports of textiles and shoes for last year to some Sw.Frs.2.5bn. (2.9bn.), despite a fall of only 2 per cent. in actual export volume, writes John Wicks. The situation is attributed primarily to the high level of the Swiss-Franc exchange rate and the very poor export prices realised by the industry.

1m. golf grips

An order for more than 1m. golf grips, specially developed for use by Japanese golfers, spearheads three major export orders announced by Avon Industrial Polymers.

AMERICAN NEWS

RABIN ADDRESSES U.S. CONGRESS

Israel dismisses Palestinian talks

BY DAVID BELL WASHINGTON, Jan. 28.

IN AN uncompromising speech, Mr. Yitzhak Rabin, the Israeli Prime Minister, to-day swept aside suggestions that Israel should now negotiate with the Palestinians in an effort to break the deadlock that is now emerging in the Middle East.

Appearing before a joint session of Congress, Mr. Rabin said that Israel would not risk "national suicide" by co-operating with the Palestinians while they still refuse even to concede Israel's right to exist. The objectives of the Palestine Liberation Organisation were "written large into its constitution where every paragraph spits out venom calling for Israel's destruction."

The firmness with which Mr. Rabin ruled out any talks with the PLO unless there is a major Palestinian change of heart will have come as no surprise to the State Department, although it is putting discreet pressure on Mr. Rabin to see if some compromise cannot be found. However, it is evident that Israel realises how seriously the PLO is now being taken here that Mr. Rabin felt it necessary to devote so much of his speech to the issue.

But Mr. Rabin reiterated Israel's view that negotiations with the Palestinians might be possible if they were to form part of a Jordanian delegation to any future peace talks and provided that the PLO also softened its attitude towards Israel at the same time. Israel viewed the Palestinian problem within the "geographic and political context of peace with Jordan. When I say Jordan I do not discount Palestinian representation in the peace delegation of that country. When I say geography I do not discount a negotiation concerning the final peace boundaries of the territories involved," he said.

The Israeli Prime Minister promised that for the "genuine peace we seek, Israel is ready to give up much and compromise much on territory. In negotiations whose shared goal is final reconciliation, we shall go more than half-way to assure its success."

While Israel has in recent weeks been emphasising a "Jordanian" solution to the Palestinian problem, the Palestinians are extremely unlikely to be prepared to have anything to do with it as they have constantly emphasised that they wish to be represented in their own right at whatever talks are ultimately held. Equally King Hussein, in whom the Israelis still have some confidence, is very unlikely to be prepared to mediate, particularly since his rapprochement with the Syrians who oppose this Israeli approach as well.

Mr. Rabin said that the next step on the road to peace should be the reconvening of the Geneva peace conference, under the already agreed resolutions of the UN. Meanwhile, he said, in a clear reference to U.S. proposals to cut arms aid to Israel that it was necessary for his country to remain militarily strong so that it could negotiate face-to-face with Arab leaders from a position of strength.

● The threat of a Syrian invasion of Lebanon is not the only security risk as far as Israel is concerned likely to stem from the civil war in Lebanon and its outcome, Israel Deputy Premier and Foreign Minister Ygal Allon told the Knesset in Tel Aviv to-day, L. Daniel adds. There is also the danger, or perhaps the danger has increased, that the Palestinians will attempt to assume control of the Southern part of Lebanon in order to transform it into an organised base for the activities of the guerilla against Israel and her settlements.

Robert Mauthner writes from Paris: Israel has formally protested to France against the French vote in favour of the resolution on the Palestinians rights in the UN Security Council.

Burns warns of danger of renewed inflation

BY GUY DE JONQUIERES NEW YORK, Jan. 28.

DR ARTHUR Burns, the Chairman of the Federal Reserve Board, told Congress to-day that the Fed is determined to adhere to its policy of moderate monetary expansion this year in order to avoid rekindling inflationary pressures.

He made it clear that, in his view, there remains a substantial danger that the present economic recovery could be derailed by a renewed outburst of inflation which would damage consumer confidence and create serious dislocations on the capital markets.

Though the U.S. inflation rate had dropped to 7 per cent. last year from 12 per cent. in 1974, the country could not afford to become complacent. He said that the acceleration in the wholesale price index in the later months of last year provided "disturbing and ominous" signs that a revival of inflation was under way.

Dr. Burns emphasised that, in his view, there was sufficient economic momentum at present to ensure a continuation of the current recovery this year. Last year's experience, he said, showed that a policy of moderate monetary growth was consistent with a sustained improvement in the economy.

He said that inventories would continue to be rebuilt and that the market for U.S. exports would expand this year. Though the recovery of the housing industry had only been "gradual" so far, there was adequate mortgage money available to ensure that it would continue.

Dr. Burns yielded little or no ground, however, to those Democrats in Congress who have been pressing for stronger measures to reduce unemployment. He said only that the Fed was "mindful" of the unemployment problem, and made it clear that in the Fed's view it commanded a lower priority than the battle against inflation.

Meanwhile, the money markets responded confidently to-day to the latest schedule of new financings announced by the Treasury. The Treasury is planning to raise $3.2bn. in new cash next week as part of a financing operation totalling $13.8bn.

Though the $3.2bn. in new cash exceeds the expectations of a good number of Wall Street experts, the markets have taken the announcement well. Existing Treasury issues, which fell sharply after the announcement late yesterday, staged a strong recovery this morning.

The market has been especially encouraged because a large portion of the new financing will be borne by the medium- and longer-term sectors, thereby avoiding the creation of any severe new pressures on money market rates.

It is believed that, in the face of weak loan demand at home, the commercial banks will absorb a good part of the Treasury's planned issue of $3bn. of three-year notes, while a companion issue of $3.5bn. seven-year notes is expected to appeal strongly to smaller investors.

The other components in the package are $4000m. of 8¼ per cent. 29¼ year bonds, $3.1bn. of 12-week bills and $3.8bn. of 26-week bills.

According to Mr. Edwin Yeo, the Under Secretary of the Treasury, total borrowings in the first half of this year are expected to amount to between $35bn. and $40bn. About $8.6bn. of this has already been raised.

Economic recovery 'slow'

BY DAVID BELL WASHINGTON, Jan. 28.

THE INDEX of leading U.S. economic indicators which in the past has proved very accurate in plotting the course of the economy, is still indicating that recovery from the recession is taking longer than was earlier predicted.

In December the index of the 12 key indicators increased only 0.4 per cent. The Commerce Department's revised figures for the previous month, also released to-day, indicate that it was unchanged in November. Preliminary figures had indicated an increase of 0.4 per cent. in November as well.

Last month's figures show a slight increase in hours worked and a decline in lay-offs, a rise in new orders and an increase in net business formation and total liquid assets. But sales orders for new plant and equipment, building permits, and three other indicators, fell. The continuing absence of a significant increase in orders for new plant is causing some concern, for without it the economy could run short of capacity if the second stage of recovery takes hold quickly.

Congressional defeat for Ford

WASHINGTON, Jan. 28.

CONGRESS gave President Ford a major election-year defeat to-day when the Senate killed his veto of a $45bn. health, welfare and labour Bill.

The Senate mustered a two-thirds majority to override the veto after the House of Representatives yesterday voted down the rejection by 310-113, 28 more than required. The Bill now becomes law. Mr. Ford vetoed the Bill because it was almost $1bn. more than his Budget request.

UPI

Rumsfeld in clash over spending

By David Bell

WASHINGTON, Jan. 28.

MR. DONALD RUMSFELD, the Secretary of Defence, clashed with a Democratic Congressman to-day while he was giving further testimony on the Administration's proposed $100.1bn. defence budget.

The Defence Secretary said that the budget would not even provide enough money to replace equipment used in Vietnam and the last Middle East war and promptly became involved in a shouting match with Representative Abraham Kazen, of Texas who took issue with Mr. Rumsfeld's contention that Congress was partly to blame for the shortage of military equipment.

Mr. Nazen roundly denied this while other Congressmen said that the rising cost of health education and welfare had whittled away the real amount that the nation was spending on defence.

Mr. Rumsfeld noted that defence has declined significantly as a proportion of the federal budget from some 40 per cent in 1965 to about 25.6 per cent now. This was doubly disturbing because it coincided with a period of increasing Soviet military strength which the U.S. needed to be in position to match.

Olympics stadium 'will be ready'

MONTREAL, Jan. 28.

THE 72,000 seat main stadium and the swimming pool will be ready on time for the July 17 opening of the 1976 Montreal Olympic Games, it was announced to-day.

But Mr. Victor Goldbloom, the Quebec Government Minister responsible for the Olympic Installations Board, also told a Press conference that the facilities would not be fully completed by the opening day.

The stadium and swimming pool, which is part of the stadium, are expected to cost $485m.

Mr. Goldbloom said that his opening statement to the Press conference constituted, in effect, the report that he would make to Lord Killanin, president of the International Olympic Committee (IOC), at the IOC's executive committee meeting at Innsbruck, Austria, on Saturday. The IOC's full session will hear it on Monday.

Trudeau, Castro discuss U.S.-Cuba relations

HAVANA, Jan. 28.

CANADIAN Prime Minister Pierre Trudeau and Cuban Prime Minister Fidel Castro flew to Cienfuegos to-day after completing talks, which included U.S.-Cuban relations and Angola, on a tiny island off the northern coast.

Mr. Trudeau, his wife Margaret and a six-man party spent the night on the island, 80 miles east of Havana, before starting their final day of a State visit to Cuba.

Canadian officials disclosed last night that Castro had sounded out Trudeau on what he thought the U.S. position was towards Cuba. They said Dr. Castro told Mr. Trudeau that Washington should take the initiative in any attempt to improve relations between the two countries.

Washington's attitude to Cuba has cooled recently because of Cuban intervention in the civil war in the former Portuguese colony of Angola. The official newspaper of the Cuban Communist Party, Granma, said for the first time yesterday that Cuban combatants were fighting there. Most Cubans, however, have known that for several months, although not officially informed.

The Canadian official said the subject of Angola was not discussed directly during the 85-minute morning session in Havana between the two leaders, but probably was mentioned during the island meeting. The Canadian officials said, however, that Canada's opposition to the presence of the Cuban troops in Angola had been discussed with senior Cuban officials who were already aware of Ottawa's stand.

Mr. Trudeau has been the subject of criticism in the Canadian House of Commons for coming to Cuba as part of an 11-day Latin American State tour, in view of the Angolan situation. He flies to Caracas to-morrow.

UPI

U.S. may boost air security

By Our Own Correspondent

WASHINGTON, Jan. 28.

NEW security checks, which could force passengers to arrive at airports up to three hours before take-off, are being actively considered by the U.S. Federal Aviation Administration.

The FAA said last night that it is proposing new rules under which all baggage would have to be checked before it is loaded on to aircraft. This follows last month's bomb explosion at New York's La Guardia airport in which 11 people were killed. No one has yet been charged in connection with that explosion.

Moynihan hits at State Department

BY OUR OWN CORRESPONDENT UNITED NATIONS, Jan. 28.

MR. DANIEL Moynihan, who in his short time as the chief U.S. delegate to the U.N. has become more controversial than all his predecessors put together, was at the centre of a new furore to-day following publication of charges by him that the State Department has failed to support his strong line against America's foes

The New York Times devoted an entire page to the text of a cablegram addressed by Mr. Moynihan to Secretary of State Henry Kissinger. It is assumed this was leaked by State Department officials who disapprove of the Ambassador's freewheeling ways and were out to embarrass him.

A more Machiavellian theory in some UN circles is that Mr. Moynihan himself may have let the text slip out while he was in Washington yesterday for a meeting with President Ford and the visit of the Israeli Prime Minister, Mr. Yitzhak Rabin.

Despite his insistent denials, he is widely believed to have elective political aspirations, possibly for Senator from New York as successor to Conservative Republican James Buckley. Mr. Moynihan has said it would be dishonourable to resign his UN job to stand for political office, but this inhibition presumably would not apply if he were dismissed, becoming a martyr if not a hero in the process.

He is already something of a hero to the Jewish community, for his strong defence of Israel and Zionism, and in Middle America for standing up to those third world delegates who make careers out of baiting the U.S.

A tall, good-looking, prematurely grey-haired man of humble origins—he once worked on the docks and as a bartender—the American delegate was a Professor at Harvard before coming to the U.N. Before that he was Ambassador to India, and he has served every Administration since that of President Kennedy.

On Sunday he assumes the Presidency of the UN Security Council, for February. Some here are begining to wonder after this latest episode in his controversial career whether he will serve out the month, or at least be around here much after that.

According to Mr. Moynihan's view, his UN posture has had the effect of breaking up the large political bloc here of "mostly new nations." In his message to Dr. Kissinger, he said "however, there is clear evidence that the (State) Department is reluctant to recognise these signs, or at least slow to do so." He added that he did not expect those in the Department who believe his policy will fail would change their minds, but he asked that "out of a decent respect for their profession they stop blabbing to the Press what is not so."

Mr. Moynihan, who is extraordinarily sensitive to public and private criticism for one so long in public life, suspected there was a whispering campaign against him before he went to the White House last November 21 and threatened to resign unless he received greater official support. Both Mr. Ford and Dr. Kissinger gave him the pledge he sought—the Secretary of State perhaps with somewhat les enthusiasm than the President, who perceived a political asset in his UN Ambassador.

That incident was largely precipitated by Britain's chief UN delegate, Mr. Ivor Richard, who in a widely reported speech took issue with "confrontational" diplomacy. Although Mr. Richard did not mention his American colleague by name, the thrust was clear when he hit out against the shoot-out style, which he compared to a famous gunslinger of the old West, Wyatt Earp. Mr. Moynihan suspected collusion between the State Department and the Foreign Office.

He first came to President Ford's attention as possible UN material after he wrote a magazine article saying it was time the U.S. started answering back in no uncertain terms those foreign despots who attack its way of life and democratic system.

A spokesman for Mr. Moynihan said to-night that Mr. Ford had telephoned the Ambassador during the day to express confidence in the way he was carrying out U.S. policy.

Meanwhile, a UN spokesman denied that Mr. Abdulrahim Abby Farah, one of Secretary General Kurt Waldheim's senior African advisers, had made remarks attributed to him in Mr. Moynihan's telegram that appeared to condone American economic reprisals against countries which voted against the U.S. in the UN.

These alleged remarks were cited in support of Mr. Moynihan's contention that he was dividing the Third World. The U.S. spokesman said that efforts had been made to have the reference to Mr. Farah, former UN Ambassador of Somalia, deleted from the New York Times report, but without success.

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OVERSEAS NEWS

Arab leaders try to stem spread of Sahara fighting

ALGIERS, Jan. 28.

W ROUND of violent fight- erupted between Algerian Moroccan forces to-day in the ng desert war for possession anish Sahara, official sources e two capitals said. erian officials said the fight- ared up at sunrise in n of Amgala, an area a held by the Polisario guerillas who seek ory's independence ia's support. wever other reports that no Algerian troops involved in the es, which were between ccan forces and Polisario t guerillas.

Algiers, President edienne called an emer- meeting of the Revolu- ry and Ministerial Council study "the new situation ed by the Moroccan attack n Algerian Army unit." communique issued after the ing said: "The situation is serious, but the revolu- ry power is taking opriate steps." It called on rians to be calm and watch- No detail about the steps has been given, but they thought to concern internal rity.

e abrupt rise in tension and ible imminence of a second tier war has caused a flurry ctivity among Arab leaders. phone lines between Algiers Arab capitals in Syria, Iraq,

Egypt and Libya were busy all night.

President Hassan el Bakr of Iraq has sent Ministers to both King Hassan II in Rabat and to President Boumedienne, to try to arrange a peaceful solution — though such divergent positions cannot easily be reconciled. French sources report the Syrian Army Commander-in-Chief on his way to Algiers to confer with President Boumedienne.

Egyptian President Sadat has also offered his services as a mediator, but since he came out publicly in favour of Morocco, is unlikely to be acceptable to Algiers.

Algiers Radio reports continued fierce fighting, but this appears to be between Polisario and Mauritanian forces near the Mauritanian frontier. Algiers itself is calm and untroubled, more preoccupied by a wave of cold weather than by a war.

The Algiers official daily newspaper says: "The Algerian revolution can defend itself, although the situation is very serious. Let those in Rabat and in Western capitals who are responsible for this crisis set about putting an end to it, because it may easily get out of control."

The Algerian position is based on the decision handed down by the International Court denying any historic right over the territory to Morocco and on UN resolutions calling for self-determination for the Saharan people. Morocco is in possession and unlikely to give up the territory without a struggle.

Algerian sources say that in the original attack Moroccan troops attacked a detachment of their army, which was escorting a convoy of food and medical supplies to Saharan refugee camps near Amgala, about 250 kilometres from Tindorf, in West Saharan territory.

Algerian official comment said: "This is an attack on the Algerian revolution which supports the Saharan people's legitimate fight for independence."

Algerian sources say they were on a humanitarian mission and in territory controlled by the Polisario Front.

Morocco battles with Polisario

BY OUR OWN CORRESPONDENT

RABAT, Jan. 28.

Moroccans say that their ed forces are continuing guerilla operations in the tern Sahara after taking a camp at Amgala yesterday are determined to dislodge ed bands from their last foot- is near the Algerian border. egun ten days ago, the anti- rilla sweep is designed to inate the Polisario Front ch still holds a number of ll waterholes an notably the post of Mahbess, a former nish strongpoint in the north- corner of the territory and miles west of the Algerian is of Tindouf.

lgeria has massed troops and anced equipment supplied by Soviet Union in the Tindouf a and is giving military port to the Polisario, the aran nationalist movement t wants independence for the ritory which Spain has agreed hand over to Morocco and ritania by February 28.

Algeria is believed to have supplied the SAM missile used last week to shoot down a Moroccan F-5 fighter, and yesterday in their attack on Amgala the Moroccans captured 12 Algerians in army uniform operating with the guerillas.

It was not the first time Algerian troops were found on the scene—two ... ago three Algerian soldiers were taken prisoner at ... on the coast 500 miles from Algeria— but it was the first time Algeria officially confirmed their presence on Moroccan-controlled territory.

The Amgala ... is 180 miles from Algeria ... thought to have been the scene of further fighting to-day.

It appeared that Algerian assistance to the Polisario was being channelled through northern Mauritania along the main route from Tindouf south that runs parallel to the Spanish Sahara frontier.

Along this route the Polisario seems to have taken the Mauritanian post of Ain Ben Tili, where it claimed to have slain 200 Mauritanian troops last week and where the Moroccan jet was downed by a missile.

The Moroccan army which is said to have 15,000 troops in the Sahara has been called on to support the Mauritanians whose weaker army seems to have become a primary target. This could mean the Moroccan forces risk being extended over a distance of 700 miles from Zag in the north to Zug in the south of the territory.

If there is no large scale Algerian intervention, which the Moroccans do not discount, the outlook nevertheless is for protracted fighting because even if evicted from their footholds inside the territory the Polisario can continue the conflict from sanctuaries in Algeria.

Rhodesia steps up security

By Tony Hawkins

SALISBURY, Jan. 28.

RHODESIA is to restore the number of troops employed on her eastern and north-eastern borders with Mozambique to pre-Christmas levels, after renewed incursions by a significant number of guerillas in the past week, Government sources said to-day. The move will require calling up at fairly short notice a number of territorial personnel.

No details were disclosed of the number of guerilla infiltrators known to have entered Rhodesia in the recent past, but the figure is said to be only a "tiny fraction" of the alleged 12,000 invaders reported earlier this month to be preparing to enter Rhodesia from Mozambique.

To date 648 guerillas are known to have been killed by the Rhodesian security forces since December, 1972, while the security forces lost 75 men. A total of 282 civilians—all but 18 of them Black—have been killed by the guerillas.

Truce called in Bougainville

The Papua New Guinea Government and secessionists on the island of Bougainville to-night agreed to call a truce after three days of tension and demonstrations.

In a statement released in Port Moresby and Kieta, Prime Minister Michael Somare and secessionist leader Father John Momis said they both agreed talks should take place to try to settle the dispute over the future of the copper-rich island, Reuter reports from Kieta.

Egyptian subsidies

An Egyptian Finance Ministry spokesman to-day denied that Egypt was increasing its spending on subsidies in 1976, as reported in a local newspaper last week. Subsidies would exceed the £E511m. figure presented in the 1976 budget to the People's Assembly earlier this month, but would not exceed £E545m., Michael Tingay writes.

Ethiopian arrests

Six members of Ethiopia's ruling military council have been arrested, the council said in a statement broadcast to-day. The statement said the six members had been arrested and dismissed from the provisional military administrative council for "indiscipline and shameful actions," Reuter reports.

AFTER THE LEBANON CEASEFIRE

The next round could be worse

BY ROBERT GRAHAM, MIDDLE EAST CORRESPONDENT

BEIRUT, Jan. 28

THE BULLDOZERS, rubbish carts and street cleaners moved into Bab Idris, the main commercial centre of Beirut to-day, replacing the snipers, the militia and looters for the first time in three months. Not one single shop, office or bank is undamaged. Metal shutters are buckled, glass fronts smashed and upper stories are stained by black smoke.

The banking centre ranged round the Riad al Solh, where foreign banks once paid among the highest rents in the Middle East, still stands. But everywhere there are open doors and looted premises. In some buildings thin trails of black smoke still seep out of bullet holes. What has not been burned or damaged has been looted.

I watched four shop owners wait, while carpenters and welders broke open their premises—a shoe shop, a watch shop, a pastry shop, and a travel agency. There was nothing left to take a looter's fancy, only pathetic odds and ends like a model Concorde with a broken wing, eagerly snapped up by a group of small children. The sound of gunfire has given way to the impatient hooting of horns by people coming to examine what is left. Streets and alleyways smell putrid and everywhere there is water from broken mains or sprinkling in grotesque fountains from bullet perforated pipes.

Outside the British Bank of the Middle East, a fine modern building, a group of anxious men gather. Two are Swiss, the others Lebanese money changers. We go down with two army soldiers to look at the strong room. The steel door has been blown open. A soldier shines a torch at the wall where the strong boxes are kept. All the doors are open and the polished steel containers reflect the weak light, empty. "My premises were damaged in October. We decided to put all our money here. We thought it would be safe. It was a lot of money," the money changer says in tears. The bank itself was cleaned out of all its cash.

The Qarantaine area, attacked by the Phalange in one of the bloodiest episodes of the last fighting, has nothing left standing.

It was one of the worst shanty slums. Now it is a mess of tin roofing, broken and tattered wood. There are probably still bodies there, judging by the smell. Those that survived — mostly Kurdish women and children and poor Moslems — have now been transferred to the beach huts of rich Lebanese along the airport road. The survivors of the destroyed Christian villages, of Damour and Saadiyet to the south of Beirut have moved over to the Christian stronghold in Jounieh.

Refugees from Beirut's Karantina slum at their new residence yesterday: the city's seaside beach clubs.

The transfer of populations has begun. Enterprising builders are pushing up small unauthorised bungalows on waste-land. On the roads in the countryside you pass trucks loaded with belongings. The complex ethnic-religious geography that every Lebanese knew is changing: "We are witnessing the ghettoisation of Beirut," says one Lebanese Christian.

The Christians are entrenching themselves round Ashrafieh; outside Beirut in Jounieh—already dubbed the Maronite capital, with a population swelled threefold; up the mountains to Beit Meri; and along the coast to Batroun. Beyond, there is a tunnel on the coast road to Tripoli. It has become a sort of unofficial frontier save for the now isolated enclave of Zghorta in the hills above Tripoli. Behind the mountains in the Bekaa, Zahle is the only really "secure" Christian stronghold. "People may forget, but a Moslem won't feel safe living in a Christian area and vice-versa," says one foreigner who has spent all his life here. The killing, torture and sectarian strife has been so bitter this time that it is hard to see how a basis of trust can be built up outside a sort of *de facto* partition.

The 300,000 strong Armenian community is the only one in the multi-confessional balance to have remained outside the conflict, despite heavy pressure to side with the Maronite Christians. Some see them as the sole viable "honest brokers" when it comes to making the country work again. But many Armenians are now thinking of leaving.

"I think the ceasefire will hold. But what then?" a Lebanese banker asked this morning. It is a strange turn of the wheel that the Syrians and the PLA should be playing a role similar to that of the U.S. marines in 1958, although in support of the Moslems. Even more ironic, many of the PLA now patrolling the streets deserted the Jordanian Army in the civil war of 1970. Implicit acceptance of a kind of partition, or confederacy, has been given in the ceasefire itself. PLA and Left militias are policing the Moslem areas — the Phalange and the Army, the Christian areas.

The disciplined presence of the PLA is seen as a major hope in the the maintenance of the ceasefire. No one really wants them to go quickly, except the extreme Maronite elements. There is no viable authority upon which to build. The Lebanese Army has collapsed. Once 18,000-strong, it can scarcely number more than 3,000 now.

The one institution that has survived is the presidency, in the person of President Franjieh. The Syrians appear anxious not to lose this remaining solid part of the state. The only other well organised body is the Palestinian resistance movement—and whether the Maronites like it or not — the reconstitution of Lebanon will have to rely also on them and their co-operation.

For the time being the threat of a Christian "secession" has receded. The Maronite extremists who fervently believe that Lebanon was made by them and should be controlled by them feel sorely let down. The West—France and the U.S. in particular—whose values they have sought to emulate has not supported them. But if they are deceived, so are many Moslems. In the poorer areas like Chiah I was told "all this fighting—for what A few more Moslem deputies who will be as corrupt as everyone else."

What will the gunmen do, who have just just their weapons under the bed? No one knows. It is too early, but all the same, few if any are talking of making a common effort to get the country back onto its feet. The fighting was done by very few—those with the most to lose or the most to gain, or simply with scores to settle. On the Christian side most of the fighting was done by something like the *Petits Blancs*, similar to the diehard small elements in French Algiers who had most to lose by the French departure.

Most Lebanese stood by, identifying with their confessional grouping, but watching from the safety of the mountains or their enclaves—suffering lack of food, water and heat.

What is left is an uneasy stand-to, with the Christians licking their wounds and the rest wondering whether they will get the concessions they want. The Moslems and left are the stronger. But they know their opponents are still prepared to fight and that any further conflict would be as bloody and destructive as what has already taken place.

West Germany expects 1976 growth of up to 5%

BY ADRIAN DICKS

BONN, Jan. 28.

WEST GERMANY reached the bottom of the current recession by the middle of 1975, and is now in a clear process of recovery which should produce real growth of a 4½-5 per cent. in Gross National Product this year, according to the annual report of the Federal Economics Ministry.

The report, which was formally adopted by the Cabinet to-day, broadly confirms earlier predictions by Ministers that activity will recover, unemployment fall, and inflation slow down further during 1976. Such a prescription, should it be borne out, would be an ideal economic background to next October's general election.

Unemployment, in the official view, will nonetheless remain high. Some further increase, due to normal seasonal factors, is expected from the current 1.2m. (5.3 per cent.) during the next few months. This will decline later as the economy picks up, but even after seasonal adjustment will still be at the relatively high level of 900,000 or so at the end of this year.

On the prices front, too, the Economics Ministry warns of sharp month-to-month increases this winter and spring, but predicts that for the year as a whole, the consumer price index will rise by no more than 4½-5 per cent., dropping below the 5 per cent. mark by mid-year. It bases this optimism on the steady deceleration of price increases during the second half of 1975.

There is no direct forecast of probable wage developments; but State Secretary for Economic Affairs, Herr Otto Schlecht, said a rise of 7 per cent. in average earnings could be expected in 1976, of which 1-1½ per cent. might be due to a return to full working and some overtime increase. Wage settlements in the region of 5½ per cent. thus appear to be what the Governments hopes to see—a figure significantly lower, by German standards, than the 7-7½ per cent. demanded by the union side in the current round of key engineering industry pay talks.

The official experts foresee a strong surge in investment this year, reaching perhaps 7-8 per cent. in money terms and 3-4 per cent. in real terms, as many companies queue up to carry out overdue plant replacement.

The Ministry holds out hopes of a 5-6 per cent. expansion in world trade on the basis of its view that last year's contraction was a consequence of the over-building of stocks during 1974. The forecast also states that German exports are likely to rise by 5-7 per cent. in real terms—or about 9-11 per cent. in value, if the official price predictions are accurate.

Here, the Ministry is undoubtedly striking a far more hopeful view than would many German companies at present. It believes that although German prices are high, the country's low rate of inflation compared with many of its competitors will help offset this disadvantage.

Herr Schlecht also defended the Ministry's relatively optimistic growth forecast, as compared with the 3½ per cent. more-conservatively forecast by the OECD. He argued that the OECD forecast had underestimated the strength of stock rebuilding to be expected in German industry this year.

He also pointed out that increases in industrial production already registered by the end of November, 1975, showed a 3½ per cent. increase over last year's average. Were the November performance merely to be maintained this year there would therefore be a healthy year-to-year improvement of around 5½ per cent. in real output.

In another development to-day, the Berlin-based German Institute for Economic Research produced its own forecast for 1976. It predicted a 5 per cent. rise in real GNP, a 4 per cent. in prices, an 8.5 per cent. rise in exports and 3 per cent. expansion of real investment—figures that suggest its independent experts have little serious argument with the reasoning of the official team in Bonn.

Unemployment may be approaching peak

BY DAVID CURRY

BRUSSELS, Jan. 28.

UNEMPLOYMENT IN the common Market is now above 5.3m. but could be nearing its peak, according to the European Commission. While noting the continuing high levels of jobless it draws some comfort from signs of increased demand for manpower, especially in West Germany and Holland, and a slower rate of increase in unemployment elsewhere. Taking into account the seasonal swelling of the numbers of unemployed by school leavers it reckons that only in Denmark and Luxembourg do the figures reflect a net deterioration in the situation.

Just under 2m. of the 5.3m. listed as unemployed were women. The job vacancies situation shows a market deterioration everywhere, except in West Germany, where the year-to-year decline was only 13 per cent. better than a year earlier.

Belgium emerges as the worst afflicted, with its 229,000 out-of-work, representing about 8.7 per cent. of membership of insurance schemes and a 64 per cent. year-to-year increase. Numerically the four big members of the Community have about equal misery, with West Germany at 1.223m. (5.3 per cent.); the U.K. at 1.21m. (5.1 for Britain and 9.3 for Northern Ireland); Italy 1.158m. (6) and France 1.02m. (6.1). In the case of Italy the year-to-year increase was only 14 per cent. because of the earlier impact of the recession in that country, while in West Germany the rise was 29 per cent. In all cases women have suffered a sharper deterioration in employment than men.

Hilary Barnes writes from Copenhagen: Unemployment in Denmark last year averaged 123,700, or 6 per cent. of the total labour force, compared with 50,100 (2.5 per cent.) in 1974, according to the Bureau of Statistics. Unemployment as a percentage of the insured labour force averaged 103,700 (11.2) compared with 44,500 (5.2). The December figure was 137,900 (14.3) of the insured labour force, while the total figure was 157,000 (11.6).

Finns agree on wage increases

BY LANCE KEYWORTH

HELSINKI, Jan. 28.

THE WAGE INCREASE won by the Finnish unions in the present round of collective bargaining is smaller than the rise in the past three years, but still inflationary. Nominal earnings will increase on average by 7 per cent. in the year ending January 31, 1977.

This is only nominal earnings. Wage drift, judging by past experience and allowing for the current higher unemployment rate, will add some 4 per cent. to average earnings in the industrial sector at least. On top of this, the contract has an automatic "index clause" in the form of a review of the wage situation in September if living costs warrant it.

The union position in the negotiations was that inflation is to be held to 5 per cent. this year, compared with 18 per cent. in 1975. The target is unrealistic—the high wage increase now won alone ensures this.

Oil States fix details of $1bn. aid fund

By Robert Mauthner

PARIS, Jan. 28.

FINANCE MINISTERS from the 13 member States of OPEC, grouping the world's major oil exporters, to-day settled the final details of a $1bn. aid fund for developing countries, which they agreed to set up two months ago.

The agreement was not reached without difficulty and the meeting had to be prolonged for an extra day. A number of OPEC States appear to have had second thoughts about their payments to the fund because of their domestic economic and financial problems. Algeria, Iraq and Indonesia were reported to have been among the nations who expressed the greatest reservations about the size of the contribution which they were asked to make.

On the other hand, Venezuela had already announced before the meeting that it was prepared to contribute $100m., and Iran, and Saudi Arabia, to mention only the most important of the other member States, were understood to have agreed to pay similar amounts.

The details of the various contributions, however, will not be announced until after the ratification of the agreement by the member States in about six weeks' time. The fund, which, according to an official communique, will provide interest-free, long-term loans to developing countries and which was originally proposed by the Shah of Iran, will start functioning immediately after its ratification.

The OPEC spokesman, Mr. Hamid Zaheri, said that no political strings would be attached to the loans, but it is still not clear exactly which countries will be the beneficiaries.

Agriculture aid talks open

ROME, Jan. 28.

REPRESENTATIVES of 60 countries met here to-day to complete plans for a new $1.2bn. fund to help the world's poorest nations feed their populations.

The new International Agricultural Development Fund (IFAD) has an initial target of 1bn. Special Drawings Rights (about $1.2bn.), half coming from the developed countries of the West and half from oil-producing countries.

The U.S. has said it will put up 200m. SDR's if the target is met and the EEC is considering contributing the same amount.

Reuter

France plans big increase in its military spending

BY ROBERT MAUTHNER

PARIS, Jan. 28.

AT A TIME when Britain is making heavy cuts in its defence budget France is planning substantial increases in military spending over the next few years.

Over the past decade, defence expenditure calculated as a percentage of the total national budget has been dropping steadily. Indeed, French critics of the military programme such as M. Michel Debré, the former Gaullist Defence Minister, have not hesitated to compare France's military effort unfavourably with that of Britain.

After representing as much as 22.5 per cent. of the national budget in 1965, defence expenditure of Frs.50bn. (about £5.5bn.) this year amounts to no more than 17 per cent. of the total budget.

From now on, however, the trend will be reversed. According to preliminary projects discussed by the Defence Council, presided over by President Giscard d'Estaing, the 1977 budget will rise by 16 per cent. or Frs.58bn. Moreover, the Government has just approved directives which would step up military spending to 20 per cent. of the total budget by 1980-81.

It has already been decided that a growing proportion of military funds will be devoted to strengthening France's conventional forces. This is in line with the latest French military thinking, according to which it is more realistic to plan for limited conventional conflicts rather than for the much more unlikely event of a nuclear war.

Malcolm Rutherford writes: France has agreed to take part in a meeting of senior European defence officials in Rome next week to discuss ways of strengthening European defence cooperation. It is likely that the participants will concentrate in the first instance on the question of joint procurement.

The Rome meeting has its origins in the efforts of the ten nation Eurogroup to establish links with the French. France has always declined to join the Eurogroup on the grounds, first laid down by President de Gaulle, that it was too closely identified with the Americans.

At a special meeting [illegible] November, however, the Eurogroup offered to establish a completely new body if this would help overcome French [illegible] objections. This has now been taken.

The new body will be known as the Independent Programme Group (IPG) and the Rome meeting—next Monday and Tuesday—will be its first. Even the venue was a sensitive issue, since the choice of London, Brussels or Bonn would have smacked of identification with the U.S.

One of the main items on the agenda will be whether or not to establish a permanent secretariat. This was among the original Eurogroup proposals last November, but the French were not immediately enthusiastic.

The subject the French have shown interest in is joint procurement, partly no doubt as a way of securing contracts for their own defence industry which suffered a setback last year when it lost the so-called "arms deal of the century" to the Americans.

Communist policy questioned

BY OUR OWN CORRESPONDENT

PARIS, Jan. 28.

A REVEALING report which has just been presented to the French Socialist Party's Executive Committee accuses the French Communist Party of having adopted a more liberal line recently merely under the pressure of events and not because of any genuine change of heart.

The report, extracts of which have been published in the influential Paris daily Le Monde marks the latest episode in the interminable battle between the two reluctant partners of France's Union of the Left. Its importance lies mainly in the fact that it has been made public less than a week before the Communist Party's 22nd Congress.

Some of the statements made in the report read more like an analysis of the policies of a political opponent rather than an ally. The author, M. Lionel Jospin, for instance, emphasises that the Communist leaders "naturally fear" that the Socialists are currently making electoral gains at their own party's expense. Their main aim is to retain control of the working class and to establish a monopoly of political power in the factories and workshops.

Most serious of all, however, is the charge that the Communist Party's latest attempt to present itself as the principal representative of a much larger spectrum of society than just the working class—indeed, of all those faithful to the grandeur, independence and security of France—is a serious threat to the whole concept of the Union of the Left.

The criterion of such a wider union is no longer one of class, but of foreign policy, which the Gaullists, for example, could easily espouse, the author claims. It is tantamount to a resuscitation of the old National Front policy which, if it were successful, would lead to the submergence of not only the Socialist Party, but the whole Left in a Union of the French people.

Portugal rules out EEC link

Major Melo Antunes, the Portuguese Foreign Minister, ruled out any possibility of his country applying for EEC membership, or even association with the Community, in the foreseeable future, Reginald Dale writes from Brussels. He made it clear that the Lisbon Government was content with present plans to negotiate improvements in Portugal's current free trade agreement with the Community, combined with EEC financial aid.

In Lisbon (UPI writes) the Government told the far-Left wokers occupying the controversial newspaper Republica to give the building and its printing facilities back to the Socialists they forcibly ousted nine months ago. Republica, which experienced a drastic fall in circulation under far Left management, ceased publication last month.

Egypt opens talks with Nine

Egypt told the EEC Commission yesterday it needed financial assistance to help develop its economy and that trade concessions alone were not enough, according to EEC sources quoted by Reuter in Brussels. The Egyptian point was set out by the Vice-Minister for Foreign Trade, Mr. Mohammed Zulfikar, at the opening round of negotiations for a new pact between Egypt and the Nine.

Trade concessions, given Egypt's current level of development, would have no great impact without an EEC financial contribution towards Egyptian development, he said.

No Cabinet—no exchanges

Italian Treasury Minister Emilio Colombo told Parliament that exchange markets would remain closed until a Government capable of formulating an agreed economic policy was formed. But no such Government is yet in sight following four hours of discussion by Christian Democrat leaders yesterday, writes our Rome office.

Negotiators meet in new SALT talks

Top nuclear arms negotiators from the Soviet Union and the United States met in Geneva for just over one hour yesterday for the first time since the talks recessed six weeks ago, Reuter reports. Soviet Deputy Minister Vladimir Semyonov and the leader of the U.S. delegation, U. Alexis Johnson, agreed to hold the first resumed session of their full six-member negotiating teams next Friday at the Soviet diplomatic mission. Semyonov said on arrival from Moscow that the Kissinger-Brezhnev conversations in Moscow last week brought "constructive results."

Cyprus trial call

A Greek Cypriot MP has called for the trial of Nicos Sampson for his part during the coup against President Makarios in July 1974. Sampson, 40, former Eoka gunman and now newspaper publisher, served as "President" of Cyprus for eight days after the coup but he was never prosecuted, writes our Nicosia correspondent.

Sampson's appearance at a memorial service for former Eoka leader General George Grivas last week-end upset many Greek Cypriots who saw it as amounting to "unacceptable provocation."

German frigate order

The West German navy will build six 3,800-ton frigates at a cost of DM2.5m., the Defence Ministry has announced, Reuter reports from Bonn.

Ireland puts heavier taxes on 'luxuries'

By Giles Merritt

[illegible]

He [illegible] that the [illegible] direct tax [illegible] by wage and salary earners [illegible] people and [illegible]

Mr. Ryan [illegible] Provisional IRA [illegible] for hindering efforts by [illegible] the Irish economy.

He said the [illegible] that security costs had [illegible] since 1972 [illegible] would cost £156m.

"Were we not [illegible] engaged in [illegible] campaign of criminal [illegible] could have been [illegible] to provide jobs to create [illegible] able wealth," he said.

In all, Mr. Ryan is to [illegible] £124m. in new taxation, with motorists coming in for a [illegible] share of that.

Petrol is to rise 10p to [illegible] 85p a gallon from [illegible] while from March [illegible] in road tax will push licences up by 25-40 per cent., depending on the size of car. The measures are expected to yield £44m. in revenue.

Other "old reliables" that [illegible] the brunt of Mr. Ryan's [illegible] Budget in the [illegible] were tobacco and drink [illegible] a pint levy on beer should [illegible] in £18m., with a further [illegible] coming from wines and [illegible] and £5m. from tobacco.

The VAT general rate [illegible] been raised from 6.75 per [illegible] to 10 per cent. and the [illegible] cent. VAT credits available to farmers is rescinded. In all [illegible] VAT package is worth £[illegible]

OECD launches $4m. research programme

By Our Own Correspondent

PARIS, Jan. [illegible]

A NEW "THINK TANK," [illegible] will study the fundamental [illegible] lems of industrialised so[cieties] and analyse their future de[velop]ment has been set up by [the] Organisation for Economic [Co-]operation and Develop[ment] (OECD).

Fourteen member countries, including Britain have agreed to take part in the $4m. research programme which is intended to provide governments with alternative scenarios which they can base their [long-]term economic and industrial strategy and which will also [provide] guidelines for their short- [and] medium-term policies.

The project director will be a Frenchman, Professor Jacques François Lesourne, former chairman of Metra International, a well-known economic research organisation and a former [head] of the Economics Department [of] Charbonnages de France (French Coal Board). M. Lesourne will head a team of 20-25 international experts, including a number of leading academics from the 14 participating countries.

LUXEMBOURG'S DEPENDENCE ON STEEL

What is bad for Arbed . . .

BY DAVID CURRY, IN LUXEMBOURG

LUXEMBOURG presents a face of Ruritanian bliss to the one night stop-over tourist. The moulded contours of its plateau-land, and the rich carpet of its wooded slopes, are the stuff of which colour slides are made. But the heart of Luxembourg is not in this landscape, nor, as one might be tempted to assume, is it in the vaults of one of the 80-odd foreign banks jostling for space in Luxembourg City. It lies along the southern frontiers of the Grand Duchy in places like Differdange, Dommeldange, and Dudelange, and it is made of steel.

Luxembourg lives on steel and steel means Arbed, the country's dominant company and one of Europe's big steelmakers. Two significant shareholdings in the company are known—both of 15 per cent. They belong to the Belgian Société Générale, and to the Franco-Belgian Empain-Schneider Group. Arbed, with its 25,000 workers, and the tiny concern MMRS in a good year produce some 6.5m. tonnes of steel—more than 18 tonnes of steel per inhabitant of the Grand Duchy. What is good for steel is good for Luxembourg; but when steel is in trouble it spells immediate problems. The latter situation now prevails.

The impact of the steel recession can be gauged from a few figures. Steel accounts for nearly half Luxembourg's industrial production, for more than 60 per cent. of industrial exports, and gives work to some 40 per cent. of the workforce in industry to whom it pays some half of the wages and social charges born by the industrial sector. Steel accounts for around a quarter of Gross Domestic Product. 15 per cent. of private investment, and more than 20 per cent. of the total wage bill.

In 1974 Arbed had a very good year when turnover reached F.Lux49.175bn. (£615m.), and net profits amounted to F.Lux1.74bn. That year the total Government tax take from the company and its workers amounted to F.Lux3.356bn. (£42m.) towards a 1975 budget of F.Lux26.34bn. In 1975 Arbed lost between F.Lux3bn-4bn. That will mean a loss of around F.Lux.1bn. in company taxes to the State annually for some years while Arbed purges its losses. The 27 per cent. decline in output to 4.2m. tonnes in 1975 has made some of its workers idle, and these workers since September have been transferred to public works schemes at a cost to the taxpayer of some F.Lux700m. last year alone. To rub salt in the wound Arbed has asked the Government to allow accelerated depreciation against its 1974 earnings matching concessions granted in Germany and Belgium in order to generate investment funds. If this is granted it will represent a further loss of revenue.

For around 15 years there has been a programme to attract new industry, partly because it was expected that steel would decline as an employer.

The Arbed situation comes on top of a budget which will also carry the scars of the steep losses incurred by Luxembourg State Railways last year of around F.Lux.2.5bn.—in considerable measure caused by the decline in shipments from Arbed, its major client.

The dangers of an excessive dependence on steel are no novelty to Luxembourg politicians. For around 15 years there has been a programme to attract new industry, partly because it was expected that steel would decline as an employer. In the event steel has expanded steadily, stimulating demand for migrant labour, and Arbed invested nearly F.Lux.14bn. in the Grand Duchy during 1970-75.

Fiscal concessions and interest rate subsidies to attract new light manufacturing industry have reduced the dependence on steel; Du Pont, Goodyear and Monsanto are among the companies with installations in the Grand Duchy. In 1965 new industries contributed net added value of around F.Lux.840m.—some 17.7 per cent. of the amount contributed by steel—and provided some 3,000 jobs. By 1972 their added value was F.Lux.3.718bn.—equivalent to 37 per cent. of that of the steel industry. They were investing slightly more heavily than steel, and had some 7,500 workers on their payroll.

The tendency now is to give priority to the expansion of existing industry, although companies using steel would find a ready welcome. While the door remains open, there are fears both about the social consequences of pulling in too many migrant workers to service new industry, and some slightly contradictory doubts expressed about the availability of new labour. These are long-term considerations, at the moment there is little new investment going on of note in secondary industry because of the cyclical position.

The native Luxembourger is a member of a dwindling race. In 1974 there were 8.5 live births per 1,000 native Luxembourgers but 14.3 deaths. Foreign workers provided 19.1 births against 4.8 deaths.

Foreign workers are vital to Luxembourg. Of the country's 357,000 population more than 80,000 are aliens. Including those who commute into Luxembourg from France, around a third of the steel workforce is foreign, half that of general industry, and some 85 per cent. of the building industry workforce. In 1974 Italians were the biggest groups of foreign residents, numbering some 23,000, followed by 19,000 Portuguese.

With the contribution of new industries showing signs of being stagnant, Arbed is going to command renewed attention. The company has announced a F.Lux.40bn. investment programme which will enhance the role of steel in the economy. Over the next 10 years or so these plans include the construction of a high capacity rolling mill in the Grand Duchy (F.Lux.8-10bn.); building a pipeline to carry ore suspended in liquid to Luxembourg from the North Sea (F.Lux.10bn.); and a strenuous programme of modernisation in Luxembourg.

Yet while Arbed intends to remain "a steel company and a Luxembourg company," it is much more than the local concern. Of its 30 main subsidiaries and affiliates only a dozen are in the Grand Duchy.

It has important stakes in Brazilian steel and mining operations while it owns 82 per cent. of Sidmar, the Belgian coastal company which intends eventually to raise capacity to 6.5m. tonnes a year at a cost of up to B.Frs.40bn. (£50m.) and a half-share in the German Röchling-Burbach steel company which produced 3.2m. tonnes in 1974.

Arbed's wire manufacturing division, based in Luxembourg, ranks second in Europe and it has electrical equipment, cement and mining interests variously in Germany, Luxembourg, Belgium and France. So while Luxembourg is getting bigger than Arbed and Arbed is getting bigger than Luxembourg the two remain linked in a marriage which permits of interests outside the home but no divorce.

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Chrysler hopes industrial relations will improve

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CHRYSLER CORPORATION is basing its hopes for a return to viability in its loss-making British operations on a major improvement in industrial relations and an upturn in the economy.

If the situation improves on both these fronts, Chrysler should be back in profits within two years and expects to be generating sufficient capital to finance future developments within four, Mr. Gwain Gillespie, executive vice-president for Europe, said yesterday.

Speaking to the Commons' Trade and Industry sub-committee of the Expenditure Committee, Mr. Gillespie, described Chrysler's industrial relations problems and the question of the British economy, as "two imponderables" which the company had had to weigh in its discussions on the £162.5m. Government rescue plan.

Before the Government had come up with its detailed offer to fund the U.K. company's losses and provide capital for expansion, these "imponderables," combined with the steady decline in the U.K. car market, had been decisive factors behind the Corporation's decision to pull out of the U.K. The picture had only been altered by the Government's decision to back the company.

Mr. Gillespie, one of the leading Chrysler figures in the negotiations with the Department of Industry, revealed that in the early meetings to determine the future of the company, the choice which Chrysler Corporation had offered to the Government was between a complete and a partial withdrawal retaining a very small equity stake.

Asked about the authority of Chrysler Corporation in the affairs of Chrysler U.K., Mr. Gillespie said he believed that overseas subsidiaries should be free to act on their own account. But, he added, under present policy Chrysler Corporation vets all expenditure proposed by the U.K. concern, exceeding £15,000-£20,000.

Asked whether the rescue package was not merely postponing bankruptcy of Chrysler U.K. for another four years, Mr. Gillespie said: "I don't believe that for a minute." Losses were expected to be the same this year as the £40m. recorded in 1975.

Mr. Gillespie rejected the view that the continuation of operations at Linwood in any way prejudiced the new deal due to higher cost manufacturing in Scotland. He agreed that the cost penalties, which had always applied to Linwood products as opposed to cars made in the Midlands, would continue to be significant.

The Alpine model was being made at Ryton, Coventry, despite the disruption this caused in moving Avenger model lines up to Linwood, because of the proximity to France which would be supplying the parts necessary for the assembly of the car.

The Avenger would finally be withdrawn from production in 1979, and the four new models which Chrysler had agreed to introduce to the market would definitely be assembled in the U.K., said Mr. Gillespie.

Fidelity Life ruling allows payments

By Eric Short

INTERIM payments to some Fidelity Life policyholders may now be made as a result of a ruling yesterday by a High Court judge.

But Mr. Justice Brightman ruled that the Official Receiver should seek the court's sanction for such specific interim payments, so that there would then be no possible personal liability on him.

Under the original terms of the provisional liquidation, no payments could be made while the petition was being heard.

Now that this ruling has been given the general view of the special managers assisting the Official Receiver is that the procedure should be straightforward. It was emphasised that any payments made would be on account, pending a final decision on the future of Fidelity Life.

The hearing of the petition for the compulsory winding-up of the company was again adjourned until February 9. Mr. Martin Polden, the legal adviser to the American parent of Fidelity Life—Fidelity Corporation of Richmond, Virginia—stated that a scheme whereby all policyholders would be protected was still being considered.

Maritime near loan deal

BY JOHN WYLES, SHIPPING CORRESPONDENT

MARITIME Fruit Carriers, an Israeli-American shipping company, is near to concluding a major loan rescheduling agreement with its banks which could have an important influence on the future of its Swan Maritime subsidiary in which Swan Hunter, the Tyneside shipbuilders, have a 25 per cent. stake.

The company said in New York yesterday that agreement on restructuring the company's loans was likely within the next two to three weeks. "The company does have certain problems and we are slightly pressed for income."

As soon as agreement with the banks was completed, the company would be ready to start talks on the future of Swan Maritime and, in particular, to discuss the options for 13 ships it has placed with Swan Hunter.

The options form a substantial part of Swan Hunter's order book and if, as seems likely, most of these ships are cancelled and no other business is substituted, employment prospects for the company's 24,000 workers are likely to be severely affected.

Maritime Fruit Carriers, which has always been highly geared and which trades in the over the counter market in New York, looks likely to have had a very bad year last year, largely because of its heavy investment in new oil tanker buildings.

Its net income in the first nine months of last year was only $1.58m., compared with $26.68m. for the same period in 1974. This appears to be insufficient to meet outstanding capital debts, most of which have been contracted for repayment over four years. The company said yesterday that its aim was to reschedule payments over ten years.

The company has recorded an impressive growth over the last ten years through its fleet of 40 specialised refrigerated fruit carriers and the sale of shipbuilding contracts during the general shipping and oil tanker boom two and three years ago.

Swan Maritime was formed in 1973 and opened its business with a 26-ship order for Swan Hunter. About a dozen of these ships have been built or are near completion and all but one have been sold.

Stop-go economy 'is a myth'

BY OUR ECONOMICS STAFF

THE BRITISH economy is more stable than most other advanced economies, and the "stop go" syndrome is a myth, says the National Economic Development Office.

"Stop go" and its effects have been part of British economic folklore for 20 years or so now, but NEDO finds: "So far as it is possible to rely on uncertain statistics, it seems that the U.K. economy, both as a whole and in terms of those separate industries which it has been possible to measure, is more stable than the economies of most other major industrial economies."

Within the economy, manufacturing industry was less stable than other parts of industrial production, which in turn were less stable than the gross domestic product as a whole.

"In general, industries producing capital goods and consumer durables are amongst the most cyclical."

Contrary to the conventional wisdom, NEDO says that private industrial investment is not the driving force in the business cycle.

Its findings are contained in a publication out this morning, entitled Cyclical Fluctuations in the United Kingdom Economy.

Sir Ronald McIntosh, its director-general, says in a foreword: "The paper shows that it will not be easy to reduce fluctuations in economic activity.

"None of our competitors has been particularly successful in controlling the cycle and to a large extent we are dependent on the action of other countries.

"This underlines the need for greater continuity in policies affecting industry in both the public and private sectors."

NEDO Discussion Paper 3, price £1, from NEDO, Millbank Tower, Millbank, London, S.W.1.

PLA loan ceiling raised by £1m.

By John Wyles,
Shipping Correspondent

GOVERNMENT approval has been won by the Port of London Authority to increase its borrowing limits in a move designed to ease serious cash flow problems caused by last year's trading loss and decline in traffic.

The authority's £12m. overdraft limit was set in 1968 and Government agreement has now been given to raise the ceiling by £1m. The authority is believed to have sought a £2m. increase and may be forced to ask for a further extension later this year.

Its results for last year will be published in the spring and the final figures are expected to show a loss of well over £5m. Revenues were particularly badly hit by the six-week docks strike and a 20 per cent. drop in traffic caused by the world trade recession.

A heavy drain on resources over the next few months is likely to result from the dockers' voluntary severance scheme, which the PLA, with other port employers, is using to try to reduce its labour force by about 1,300 men this year.

Severance payments of up to £5,250 are being offered, but the flow of volunteers appears to have dried up.

● Charges at British Transport Docks Board ports are to be increased by an average of 20 per cent. from March 1. Charges at Southampton, the Board's busiest port, went up at the beginning of this month.

Cavenham buys rest of Moores-Wrights

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

CAVENHAM, which already claims to be the third biggest food retailer in the country with its Allied Suppliers subsidiary, is taking control of the whole equity of the Moores-Wrights chain of grocery shops by buying the remaining 50 per cent. held by the U.S. Southland Corporation.

The deal will enable Cavenham to bring the management of the 400-shop Moores group into the central Allied Suppliers organisation and exploit its £500m. buying power more forcibly.

Cavenham is reducing its interest in the other company it owns jointly with Southland—Birrell-McColl, the confectionery and newsagents chain, of which Southland is acquiring an additional 18.75 per cent.

Southland has been given an option to buy Cavenham's remaining 31.25 per cent. in Birrell-McColl in two years time, with Cavenham reserving the right to require Southland to exercise this option.

The deal—details of which will be circulated shortly—would seem to mark the start of the parting of the ways for Cavenham and Southland, which got together in 1971 to run the 360 Birrell-McColl shops and then embarked on a similar joint venture the following year to buy Moores-Wrights.

The merging of Moores with the 1,200-shop Allied Suppliers Group, has been expected for some time but posed difficulties while Southland retained its stake.

Cavenham's acquisition of the Southland interest means it will now have direct control over 1,600 outlets, ranging from convenience stores to large discount stores, with a turnover of almost £500m.

Midland Bank closures 'will cost no jobs'

BY MICHAEL BLANDEN

THE MIDLAND BANK does not expect any redundancies as a result of the planned closure of some 40 branches during the coming year, the bank said in an official statement yesterday.

Branch closures are being carried out as part of a general review of the bank's network of some 2,600 branches and the statement followed concern expressed by the National Union of Bank Employees over the danger of further redundancies.

It is understood that a total of 35 branch closures due to take place in the first half of this year have been notified to the unions. The small number of further closures will be notified later in the year. The branches being closed are those, the bank says, where the business done does not justify their maintenance or where there is a duplication of services in the immediate neighbourhood.

One branch in South London is being shut because the bank has two others in close proximity; and another specific example is the Covent Garden branch which has lost its main purpose with the removal of the market. Others include a number of branches in the London area where the bank feels it is particularly heavily represented.

Top Manchester University job for Haszeldine

LORD BOWDEN, Principal of the University of Manchester Institute of Science and Technology, is to retire this year, it was announced yesterday.

His successor will be Manchester-born Professor Robert Haszeldine, aged 50, head of the chemistry department and the first principal to be appointed from the university's own academic staff.

Revenue claim for surtax on share issue dismissed

THE LORDS yesterday dismissed an appeal by the Commissioners of Inland Revenue against a Court of Appeal ruling that two shareholding directors of R. Goodwin and Sons (Engineers), of Hanley, must pay surtax on a bonus issue of shares.

The law lords accepted that the transaction was made for a bona fide commercial reason rather than to obtain a tax advantage.

The Revenue appealed against the Court of Appeal's decision of January 29 last year in respect of one of the directors—Mr. John Goodwin, of Hankelow, Crewe.

Lord Kilbrandon said that the company resolved in 1951 to create 6 per cent. Preference shares redeemable by the company at three months' notice after 12 months, and to issue those shares to existing shareholders as a five-to-one bonus issue. Thus, in redemption, resources would have become available to meet the threat to the family control of the company.

In 1958 it was decided to make a public issue. The 1951 Preference shares were converted into Deferred Ordinary shares which were to rank *pari passu* as one class with the Ordinary shares only after 12 months from the redemption of the Preference shares, which occurred in April, 1963.

Mr. Goodwin had, in August, 1958, transferred his holding of 13,355 shares to his wife, Patricia. Accordingly, the redemption monies were paid to her.

Lord Kilbrandon said that the Court of Appeal had correctly stated the nature of this transaction—as "a fulfilment of the expectation of the trustees and other shareholders upon the basis of which the scheme of public flotation went through."

The commissioners were satisfied that the main object of the preference share issue which formed part of the 1958 transaction was to restore the *status quo ante*. This afforded a bona fide commercial reason for the 1958 transaction, and obtaining a tax advantage was not a main object.

Lord Kilbrandon said that the scene was set in 1951. What followed was the working out of the policies which at the time satisfied the company as being in its best commercial interests.

HOME NEWS

Shell guarantees profit as petrol war extends

BY RAY DAFTER, ENERGY CORRESPONDENT

SHELL has agreed to guarantee the profitability of its petrol station dealers to protect them against the price-cutting war, which has now moved south.

While BP Oil and Esso, the other main competitors, have still not decided to introduce discounts to dealers in the south of England, Shell has implemented a form of subsidy which is likely to make price competition even more intensified.

Shell said that it had agreed to guarantee profitability where it was found that dealers were suffering hardship from local competition.

It had not introduced discounts which had to be matched by a similar cut in margins by dealers—the form of price support implemented by other major companies in the Midlands, the North and Scotland.

Under this discount scheme, companies such as Esso and BP are offering to cut prices to dealers by up to 2.8p a gallon. When this is matched by the dealer himself, and value added tax is taken into consideration, the cut in price is about 7p a gallon.

Break-even

Shell said that under this scheme the average dealer selling 5,000 gallons a week would have to increase his sales to 8,500 gallons to reach a financial break-even point.

The Shell scheme guaranteed to maintain the profitability of the group's dealers where there was local competition.

"We are not leading in this pricing situation. We are reacting to competition and pressures in the market."

Nevertheless, it seems that it is only a matter of time before other big companies introduce price support in the south where, in some areas, competition is already intense. Many stations are offering four-star petrol at below 70p a gallon.

Esso said last night: "We are maintaining our original position, but we are watching the position closely."

In a bid to maintain petrol sales, dealers in many parts of Britain have introduced either big cuts in pump prices or the promotion of mutiple trading stamps or other gift incentives.

The fierce competition inevitably has spread from the Midlands, largely because of the marketing practices of smaller independent oil companies and dealers who have cut their own margins.

Coal trade says profits were not excessive

By James McDonald

BRITISH COAL merchants yesterday denied any suggestion that could be read into the Price Commission's report on retail coal distribution that excessive profits were made by coal distributors to domestic households.

Mr. F. C. Marsh, president of the 7,800-trong Coal Merchants' Federation of Great Britain—an organisation that has declined in membership by nearly 8,000 over the past 10 years—said in London that coal merchants serving consumers worked on a net profit margin of between 2 and 3 per cent.

Restraints

In the Commons yesterday, Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, said the Price Commission report "brings out the extent to which prices of similar types and quality of fuel can vary between different regions, within regions, seasonally, and between different retailers, and makes certain recommendations aimed at benefiting consumers."

Coal merchants were subject to the general price code restraints on net and gross profit margins, "but within these limits, there is plenty of scope for healthy competition on price and quality of service."

£1.6bn. State borrowing

By Our Economics Staff

THE CENTRAL Government borrowing requirement last month was £1.645bn., the Central Statistical Office said yesterday. This compared with £1.7bn. in December, 1974.

The total was broadly in line with conclusions drawn from the earlier publication of figures for the Consolidated Fund and National Loans Fund last month.

'Iron Lady' visits the heart of capitalism

Ashley Ashwood

Mrs. Margaret Thatcher on the floor of the London Stock Exchange yesterday.

Commission rates alarm airlines

By Arthur Sandles

AIRLINES and operators involved in the British charter market are competing over commission rates, causing alarm in the travel industry.

Last night Golden Lion Travel, the Caledonian Airways subsidiary, matched a move by Laker Airways which offered agents 12.5 per cent. commission on sales against the normal 10 per cent.

In a business which has seen a considerable addition to capacity in recent months and competition from scheduled carriers, Laker last week said it would pay the higher commission to any agent selling 25 tickets or more. Now Golden Lion has done the same and is also offering one free ticket for every 20 sold by an agent.

Compressors scheme to refloat tanker

BY JOHN WYLES, SHIPPING CORRESPONDENT

URGENT MOVES were under way yesterday to prevent the Onassis-owned tanker Olympic Bravery, holed and stranded on rocks at Ushant off the North-west coast of France, from becoming the most expensive loss in maritime history.

Preliminary attempts to refloat the 275,000 deadweight ton vessel were abandoned yesterday because the tides were not high enough. Eight compressors will be used to pump air into 14 of the ships' tanks before a fresh attempt to refloat her. This is unlikely to be before the week-end.

Olympic Bravery drifted on to the rocks last week-end after an engine failure. She was on her maiden voyage from her builder's yard at St. Nazaire, to Norway where she was to be laid up because of the world tanker surplus.

She is insured for a total of $50m., more than 40 per cent. of this being placed in London. This makes her more costly as a potential total loss than the 224,000 dwt ton Berge Istra which disappeared near the Philippines recently at a cost to London insurers of more than $12m.

Prospects for saving the Onassis ship were rated as "better than even," yesterday by the London agents of Bugsier, the Hamburg-based salvage company which has two tugs at the scene. The ship's 18 degree list to starboard had been reduced to five degrees by filling up the port side tanks.

£3.5m. leisure project for Blackpool

A £3.5M. "leisure complex" is planned by the Coral Leisure Group for Blackpool's Golden Mile seafront area. Work should start this year on the redevelopment of the old central railway station close to the tower.

Mr. Nicholas Coral, group chairman, said last night that the project, which still needed final planning permission, might be ready for summer 1978.

The leisure centre—to be called Coral Island—will include a cafeteria for 300, a restaurant, cabaret bars, discotheques, a bingo hall, a betting shop, amusement arcades and a children's playground.

New attack on Mrs. Thatcher

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

THE SOVIET PRESS last night renewed its attack on Mrs. Margaret Thatcher, the Opposition leader, for her recent speech warning of the Russian military threat.

She was branded as a "warring Amazon" by the London correspondent of Komsomolskaya Pravda, the party youth newspaper, and described as being driven by a zoological hatred of Communism.

"Her limited Philistine outlook and petty trader's speculative approach" prevented her from seeing that the world had changed, according to the correspondent, P. Mikhalev.

This was the second personal attack on Mrs. Thatcher in the Soviet Press for her speech. Earlier, she was described as an "iron lady."

The latest attack came as the Soviet Embassy in London acknowledged receipt of a reply from Mr. Reginald Maudling, Opposition spokesman on foreign affairs, to its protest over Mrs. Thatcher remarks.

It rejected Mr. Maudling's allegations of a military build-up and claimed that the Soviet defence budget had been frozen for several years.

"We were sorry to find that the letter contained the same old groundless allegations about Soviet foreign policy and even internal policy, which we have already rejected.

"At least he shares our view that it is right to work for a better understanding and for detente in the world. May we hope that the leadership of the Conservative Party will form their judgments on a more objective basis, in conformity with the spirit of detente."

The Russians' sharp reaction to Mrs. Thatcher's speech seems unlikely to harm Anglo-Soviet relations, which have been improving in recent months.

The Foreign Office is quietly ignoring the dispute and Soviet sources confirm Moscow's interest in keeping on good terms with Whitehall.

Mr. Callaghan, the Foreign Secretary, told the Commons not to expect dramatic changes in Soviet foreign policy after the signing of the Helsinki Agreement.

Detente would not lead to an armistice in the "war of ideas" but it was a recognition of the mutually destructive power of the two world super-powers.

FT CONFERENCE

Doubts on U.K. Euro-borrowing

BY JOHN LEECH

BRITAIN may not succeed in borrowing as much as it would like—or its financial accounts would allow—from the Euromarkets Dr. Michael von Clemm, executive director of Credit Suisse and White Weld, told the London conference on counter-inflation policy yesterday.

In the main, this was because the markets would want more rewarding terms than for others as Britain was a higher risk, he told delegates to the conference, which was organised by the FT and the Investors Chronicle.

It was not a question that the Euromarkets had no confidence in Britain, he said, but that confidence had been reduced. While applauding the counter-inflation policy, bankers felt that medium-term goals were not clearly enough defined and that there was a possibility of a general reflation because of the growing fears about unemployment.

While small countries such as Norway and Austria had recently been able to raise sums of between $100m. and $300m. in the Euromarkets at competitive rates, it would be very much more difficult for Britain to raise the very much larger sums it was likely to require without a premium.

Dr. von Clemm pointed out that the Euromarkets were the most important source of borrowing for Britain after the domestic sources. Britain would have to cover a payments deficit of £2bn. in 1976 and while some had been covered already, it was safe to assume that it would like to draw to some extent on the Euromarkets.

Basically, it was a question of confidence. International bankers used their intuition as much as anything else in coming to investment decisions and were thus as fallible as anyone else. Feelings were as important as facts.

The future view of the Euromarkets about Britain depended heavily on the outcome of the anti-inflation fight, said Dr. von Clemm.

A lively first morning of the conference was opened by Sir Campbell Adamson, retiring director-general of the CBI, who restated the confederation's view that continuing pay restraint and some price control were vital for economic improvement.

He was vigorously opposed by the Financial Times' economic commentator, Mr. Samuel Brittan who, in a spirited contribution, criticised all wage and price controls "and the accompanying measures to buy union support," as "positively harmful."

Sir Campbell said that while the price code was "disastrous," some regulation of prices was needed and the CBI hoped to get some satisfaction on this from discussions on the next stage.

He agreed with the TUC that it would be impossible to have another year of flat-rate pay restriction and that a percentage figure would have to be set. This would have to be lower than the present 10 per cent. represented by the £6 limit, but he, like Mr. Len Murray, was not at this stage prepared to put a figure on it.

He foresaw inflation being reduced to 13-15 per cent. by the end of the year.

Mr. Brittan said that even if official reasoning and theories were accepted, the counter-inflation policy "is being sold to the public on the basis of arguments which must be known to be misleading."

While in the short-term it was likely that the policy would chalk up even more successes than either its critics or supporters realised, tensions and problems would build up with the later stages. It might take up to three years before it became apparent that pay and price control had made things worse.

Pay control was being seen as the main counter-inflationary weapon instead of as a supplement to monetary restraint.

Mr. James Prior, Opposition spokesman on employment, echoed Sir Campbell Adamson's call for a second stage policy which would strike a balance between improving unemployment and setting a lower pay target than this year.

Lord Redmayne, chairman of the Retail Consortium, said that the real fact of life to-day was that competition was such that price control had become "completely irrelevant."

Mr. Ray Buckton, general secretary of ASLEF, emphasising his personal disagreement with the pay policy, said that there was "real danger" of anarchy if an unreasonable degree of unemployment were allowed to persist for more than a short period.

SNOW REPORTS

	Depth (cms.) L	U	State of Piste	Weather	°C
Crans	40	70	Good	Fine	—10
Davos	80	185	Good	Fair	—10
Les Menuires	37	85	Good	Fine	—13
Saas Fee	30	90	Good	Fine	—6
St. Moritz	35	75	Fair	Fine	—13
Seefeld	50	100	Good	Fine	—7
Villars	27	85	Good	Cloud	—5
Zurs/Lech	153	300	Good	Fine	—11

Above reports supplied by representatives of the Ski Club of Great Britain. Following reports from other sources:

AUSTRIA					
Alpbach	30	100	Good	—	—12
Axamer-Lizum	104	130	Good	—	—14
Badgastein	35	102	Good	—	—12
Brand	55	185	Good	—	—8
Gargellen	120	150	Good	—	—3
Ischgl	80	150	Good	—	—12
Mayrhofen	15	115	Good	—	—15
Obergurgl	85	135	Good	—	—14
Saalbach	109	200	Good	—	—14
Schruns	30	160	Good	—	—3

SCOTLAND

Glen Shee: Most main runs complete. Ample nursery areas. Vertical runs 1,000 feet. Snow level 2,000 feet.

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Forecast: Cloudy. Outbreaks of snow.

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It is, of course, a large and very powerful car. The bonnet hides a highly sophisticated 200 BHP fuel-injected engine, driving through a three-speed automatic gearbox. Its top speed exceeds 124 mph. It reaches 60 mph in 10 seconds.

But it doesn't proclaim these qualities from the rooftops. To know, you have to know.

And anyway, statistics give you no measure of the car's quality. It's a driver's car. It handles like the BMW it is. The steering-wheel adjusts. The driver's seat adjusts for height, as well as angle and front-to-rear position. The double halogen headlights have their own wash/wipers. It has power steering; ventilated disc brakes; and the instruments that turn driving into a science, as well as an art.

But it's also a passenger's car. Heating, reading lights, cigar lighter, head restraints, safety belts–they're all built in to the rear of the 3.3 LiA, as well as the front.

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Electrically-operated, the windows are tinted to control temperature and glare. The stereo radio has three loudspeakers and an automatic aerial. And of course, there's a great deal of room.

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But the list is endless. Everything a car needs, the 3.3 LiA carries.

As with all BMWs, words and pictures are not enough. The 3.3 LiA invites a meeting. Acquaintanceship ripens into a friendship that lasts a lifetime.

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von
ath (Midsomer Norton 418925): Crocketts
lath (Combe Down 833042): G. E. Fry & ons
ristol (45561): Western Counties utomobiles

edfordshire
edford (60412): Alec Norman
uton (56622): Ivor Holmes

erkshire
ungerford (2772): Hungerford Garages
aidenhead (37611): Attwood Garage
eading (586566): Vincents of Reading

uckinghamshire
errards Cross (87634): Birds Garage
igh Wycombe (Naphill 2662): ughenden Motors

ambridgeshire
untingdon (52694): Murkett Brothers
eterborough (66173): Sycamore
tapleford (Shelford 2237): Magpie Garage

heshire
hester (311404): Red Rose Motors
rewe (4317): Harry W. Dodd
ilmslow (23542): Blue Bell Garage

leveland
iddlesbrough (Stokesley 710566): okesley Motors

ornwall
mborne (713309): Mike Bennett otors)

umbria
arlisle (29401): SMT Sales & Service
ockermouth (3666): Fleetwith Holdings
range-over-Sands (2284): ateman Motor Works

erbyshire
erby (32421): Over Motors

evon
arnstaple (4070): Pathfield Garage
xeter (69595): SMB Automobiles
ingsbridge (Galmpton 333): Salcombe oad Garage
aignton (58567): Chenhalls Garages

orset
landford (2358): Emblem Sports Cars
ournemouth (24433): Keystone Garage
eymouth (72911): Wyke Regis Garage

urham
arlington (68753): Austen Sanderson Co. Ltd

ast Sussex
righton (684921): Alford & Alder
e (3105): Peter Berthon

ssex
reat Dunmow (2884): A. R. Sewell & Sons
alstead (2012): The Halstead Motor Co.
igh-on-Sea (713144): Fairfield Garage
aldon (52131): Bates Motors
omford (Ingrebourne 71631): Hildene ervice Station

loucestershire
irencester (3974): Hirst Garage
lford (2056): Wyedean Motors
loucester (23456): Richard Cound
oreton-in-Marsh (50323): Curfew Garage

reater Manchester
olton (33941): Newlands Motor Co.
ury (061-761 2221): Ian Anthony
anchester (061-832 8781): Williams otor Co.
ochdale (44575): Motor Repairers
ockport (061-483 6271): Anderson otors
igan (44350): M&H Motors

ampshire
asingstoke (Long Sutton 249): Green arage
etersfield (Hawkley 200): Froxfield ervice Station
outhampton (29003): Quadrifoglio Motors
inchester (881414): Kingsworthy Motors

Hereford & Worcester
Harvington (612): Black & White Garages
Kidderminster (Chaddesley Corbett 435): Mustow Green Garage

Hertfordshire
Berkhamsted (2371): Underhill & Young
Radlett (4851): Autoport
Stevenage (51565): Specialist Cars
Waltham Cross (Lea Valley 712323): Britannia Cross Motors

Humberside
Grimsby (54827): T. V. Gray Sales & Service
Scunthorpe (64251): Peter West (Motors)
Hull (25071): Allisons Motors

Isle of Wight
Newport (3684): Blackwater Service Station

Kent
Brasted (Westerham 63468): Brasted Service Station
Bromley (01-857 2293): Sunbridge Park Motors
Dover (Kearnsey 4351): George Hammond (Motors)
Hayes (01-462 1211): Burton & Deakin
Maidstone (812358): Station Garage
Sidcup (01-300 1126): New Hatherley Garage
Teynham (237): G. A. Blythe & Son
Tonbridge (63520): L&C Auto Services

Lancashire
Blackpool (402541): Derek Woodman Autopoint
Preston (863922): Kinders Service Station
Rossendale (5175): Vale Motor Co.

Leicestershire
Kibworth (2303): The Regent Autocar Co.
Rothley (2484): Lazenby Garages

Lincolnshire
Lincoln (21345): Crompton & Holt
Louth (2116): Waumsley Motors

London
Balham (01-673 4343): Withams Motors
Chelsea (01-581 1284): Motortune
Chelsea (01-352 5758): Taylor & Crawley
Chiswick (01-995 1683): MLG Motors
Edgware (01-959 6961): Milcars
Forest Gate (01-534 7781): R. P. Powell (Motors)
Highgate (01-340 4444): Gatehouse Motors
Kensington (01-381 1056): Cheyne Motors
Mayfair (01-629 9277): BMW Distributors
Vauxhall Cross (01-735 5952): First Front Garages

Middlesex
Brentford (01-568 9155): BMW Distributors
Ruislip (37262): E&O Motor Co.

Merseyside
Liverpool (051-525 6241): Williams Motor Co.

Norfolk
Norwich (21471): H. E. Averill & Sons
Snettisham (526): Sorensons Motors

Northamptonshire
Wollaston (573): Wollaston Motors

Northumberland
Corbridge (Great Whittington 216): Fewdingtons Garages
Cornhill-on-Tweed (Coldstream 2146): John Rutherford & Sons

North Yorkshire
Malton (2252): Malton Motors
Scarborough (64111): Miskin & Knaggs

Nottinghamshire
Nottingham (63321): Sytner of Nottingham

Oxfordshire
Banbury (50910): White Horse Garage
Faringdon (20614): All Saints Service Stn.
Oxford (511461): North Oxford Garage

Salop
Oswestry (2413): A. Beauclerk & Son
Shrewsbury (3250): George Oakley's Garage

Somerset
Bridgwater (Combwich 2233): Longstones Garage
Taunton (87261): Somerset Motors
Yeovil (3581): Somerset Motors

South Yorkshire
Doncaster (69191): Allisons Garages
Rotherham (2859): South Grove Garages
Sheffield (25048): Hallamshire Motor Co.

Staffordshire
Stafford (61293): Walton Garage
Stoke-on-Trent (315119): Hartshill Autos

Suffolk
Halesworth (3666): Norman Kingston (Cars)
Ipswich (52221): Cars Continental

Surrey
Chipstead (Downland 58221): Cronk Garages
Cobham (7141): Central Garage
Croydon (01-688 8341): W. Shirley & Sons
Egham (6222): Tower BMW
Guildford (Shere 2051): Chris Williams: Shere Garage
Guildford (61314): Merrow Service Station
Surbiton (01-398 3435): Langley Motors

Tyne & Wear
North Shields (78227): Priory Cars
Sunderland (57631): Mill Garages

Warwickshire
Rugby (3385): Charles Sawyer Motors

West Midlands
Birmingham (021-643 0621): Rydale Cars
Coventry (461441): Cheylesmore Garage Nod Rise
Dudley (Cradley Heath 60181): Ryland Vehicle Group
Solihull (021-744 4488): David Prophet
Wolverhampton (23295): E. L. Bouts Motors

West Sussex
Haywards Heath (Chelwood Gate 456): The Ashdown Garage
Lancing (2961): Chandlers Service Station

West Yorkshire
Bradford (495521): Andrews Brothers
Huddersfield (25435): Almondbury Garage
Leeds (Arthington 2239): G. Eric Hunt
Leeds (643772): Seacroft Motor Centre
Wakefield (55904): Sandal Motors

Wiltshire
Melksham (708289): Nortree Motors
Salisbury (24934): Woodrows Harnham Garage
Wroughton (812387): Dick Lovett Specialist Cars

Isle of Man
Douglas (Castletown 3301): Santon Motors

Northern Ireland
Antrim (Kells 324): R. J. Walker
Belfast (663281): Isaac Agnew
Coleraine (4549): JKC Garages

Scotland
Aberdeen (54938): Lothian Sports Cars
Arbroath (2919): Golden Lion Garage
Edinburgh (Craiglockart 6091): Western Automobile Co.
Glasgow (041-332 2838): Callanders Garages
Inverness (36566): Calterdon
Irvine (78793): Harry Fairbairn
Lanark (2581): Mansefield Motors
Perth (25481): Grassicks Garage

Wales
Aberdare (3247): Park Lane Motor Sales
Cardiff (24422): S. Andrews & Son
Pwllheli (Abersoch 2308): Glanafon Garage
Welshpool (2155): Border Garage

Channel Islands
Guernsey (23916): Jacksons Garage
Jersey (Central 20281): Jacksons Garage

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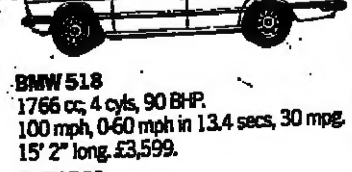
BMW 320:
1990 cc, 4 cyls, 109 BHP.
106 mph, 0-60 mph in 10.8 secs; 29 mpg.
14' 3" long. £3,349. Auto. available.

BMW 320i:
1990 cc, 4 cyls, 125 BHP, fuel injection.
111 mph, 0-60 mph in 9.6 secs, 32 mpg.
14' 3" long. £3,979.

The BMW 5 Series
Cars for our times



BMW 518
1766 cc, 4 cyls, 90 BHP.
100 mph, 0-60 mph in 13.4 secs, 30 mpg.
15' 2" long. £3,599.

BMW 520
1990 cc, 4 cyls, 115 BHP.
109 mph, 0-60 mph in 11.4 secs, 26 mpg.
15' 2" long. £4,144. Auto. available.

BMW 520i
1990 cc, 4 cyls, 130 BHP, fuel injection.
114 mph, 0-60 mph in 10.5 secs, 28 mpg.
15' 2" long. £4,399.

BMW 525
2494 cc, 6 cyls, 145 BHP.
120 mph, 0-60 mph in 9.7 secs, 27 mpg.
15' 2" long, PAS. £4,999. Auto. available.

BMW 528
2788 cc, 6 cyls, 165 BHP.
123 mph, 0-60 mph in 9.2 secs, 26 mpg.
15' 2" long, PAS. £5,347. Auto. available.

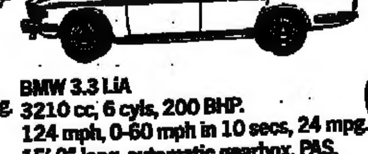
The Big BMWs
They don't drink while you drive

BMW 2500
2494 cc, 6 cyls, 150 BHP.
118 mph, 0-60 mph in 10 secs, 26 mpg.
15' 5" long, PAS, £5,499. Auto. available.

BMW 3.0 Si
2985 cc, 6 cyls, 195 BHP, fuel injection.
131 mph, 0-60 mph in 7.6 secs, 27 mpg.
15' 5" long, PAS, £6,699.

BMW 3.0 LA
2985 cc, 6 cyls, 180 BHP.
120 mph, 0-60 mph in 10 secs, 25 mpg.
15' 9" long, automatic gearbox, PAS. £6,999.

The BMW 3·3 LIA
The personal flagship

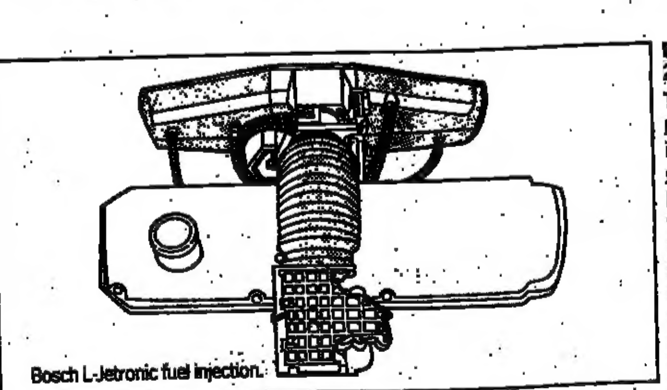


BMW 3.3 LiA
3210 cc, 6 cyls, 200 BHP.
124 mph, 0-60 mph in 10 secs, 24 mpg.
15' 9" long, automatic gearbox, PAS, fuel injection. £10,999.

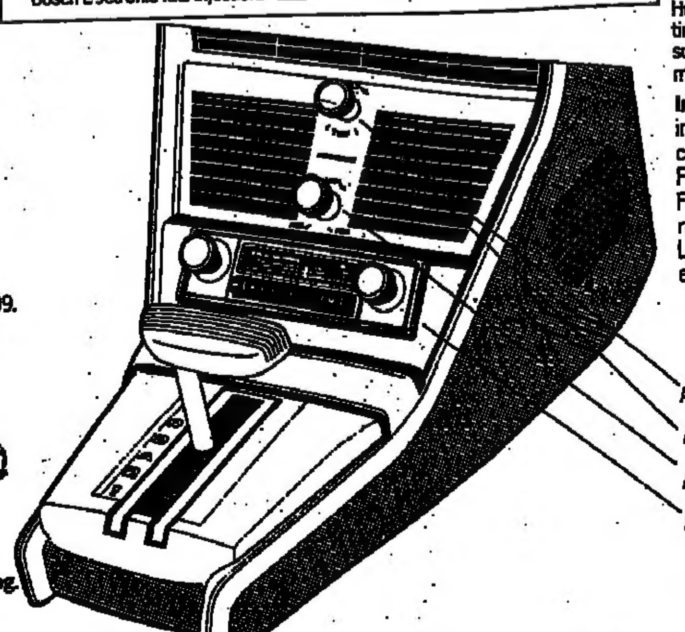
All fuel consumption figures quoted to DIN 70030.
All prices include car tax and VAT at 8%.
Prices correct at time of going to press.

Mail coupon to:
BMW Concessionaires GB Ltd, 991 Great West Road, Brentford, Middlesex, TW8 9ED. Telephone: 01-568 9155.
Export, NATO, Diplomatic Sales, 56 Park Lane, London, W1Y 3DA. Telephone: 01-629 9277.

The BMW 3.3 LiA.
There's nowhere else to go.



Engine. 6 cylinder, fuel injection, 3210 cc, 200 BHP.
Transmission. 3-speed automatic gearbox.
Performance. Over 124 mph; 0-60 mph in 10 secs; 24 mpg to DIN 70030.
Suspension. Independent all round; light-alloy sports wheels 6J x 14", fitted with 195/70VR 14 steel radial tyres.
Brakes. Ventilated discs all round, servo-assisted. Handbrake operates on separate duo-servo drum brake.
Exterior fittings. Double halogen headlights with washers and wipers. Reversing lights. Front and rear fog lights. Heated rear window. Electrically-operated tinted windows. Electrically-operated steel sun roof. Electrically-adjustable wing mirror. Laminated windscreen.
Interior fittings. Full instrumentation including quartz clock. Adjustable leather-covered steering wheel. Full air-conditioning. Front and rear heating and ventilation. Front seats infinitely adjustable. Head restraints on all seats. Fully carpeted. Leather upholstery. Stereo radio and electric aerial. Rechargeable torch.



There's no need to shout–simply send me the brief on the new BMW 3.3 LiA.

Name ________________

Address ________________

____

Telephone ________________

FT/29 1

BMW

FOR THE JOY OF MOTORING

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ACCOUNTING

Box office system automated

WEMBLEY Stadium is to have an eight-station GEC 2050 seat reservation and box office accounting system. It will be used for events held in the Empire Pool, in the theatre of the newly-built conference centre and selected events in the main stadium and the squash centre.

The Wembley Conference Centre, now in the final stages of construction, is Britain's first such purpose-built unit and will open in September 1976.

The automated box office is based on a single 64 kilobyte GEC 2050 computer. Two fixed/exchangeable cartridge disc units for database storage and a thermal printer for accountancy print-out are included. The value of the order is in excess of £100,000.

Operators seated at each of the eight sale stations will use a keyboard to call up a visual display of seat status, that is sold, available for sale, reserved for stewards, house keeps, etc., for any block of seats on the Wembley complex. The database, which contains a complete file of every performance currently being sold, includes all the information necessary to identify every seat/performance combination such as date, time, title, door, stand, block, row, seat number and price.

Revenue

The disc also maintains constantly updated statistical and accountancy details such as performance revenue to date; house revenue to date, till checks and seat sales itemised by value. Wembley management will, at any time, be able to call for a print-out giving a comprehensive and up-to-date audit.

Seat sale procedures will not differ radically from the present manual system but several tedious and time-consuming aspects will be eliminated. Tickets need no longer be pre-printed, securely stored, retrieved from store, sorted, detached from booklets, stubs counted, returned to store and reports prepared.

Marking-off sales on pictorial house plans becomes unnecessary and all Wembley box office staff will now be able to sell the same performance simultaneously without risk of double booking. Operation of the new computer sale-stations by colour-coded keyboard will demand only the briefest familiarisation period for existing staff.

GEC Computers, Elstree Way, Borehamwood, Herts. WD6 1RX (01-953 2030).

● CALCULATORS

Texas makes yet more price cuts

ONLY four months have passed since Texas Instruments announced price reductions on its hand-held calculators ranging from 18 to 27 per cent. and towards the end of the year some commentators felt confident that prices could not make any further appreciable fall.

But from February 1, Texas has announced, more cuts will be made which, on a percentage basis are even larger than those of last September. The model 1250 for example reduces by a startling 29 per cent. from £13.95 to £9.95. At the bottom of the range the 1200 has had another 9 per cent. lopped off and will now sell for £8.95.

At the other end of the range the SR51A has now, since last summer been very nearly halved in price. The latest reduction is some 28 per cent. and the new price is £64.95. Once again the company has made its now customary statement that the reductions represent a continuing policy "of passing on to the end user savings and reductions resulting from improved manufacturing methods and increased levels of production."

In the light of economic conditions however and the somewhat clogged state of the retail market, some may conclude that the knives are now well and truly out among the majors of the business. At the same time retail purchasers of pocket calculators must really be wondering what to expect next.

One answer is the enhanced facilities machine selling for a "middle range" price and Texas has just announced one of these, the 2550-II, at a recommended retail price of £29.95. This has add, subtract, multiply, divide and a per cent. key, with automatic constant on all five functions, and a four key memory (add to, subtract from, recall and clear memory).

The "reverse" key is useful to divide what is in the memory by the quantity in the display. The square root, square, and reciprocal keys operate only on the displayed quantity and do not complete any pending operation—problems such as the root of the sum of squares can be solved without using the memory.

An unusual feature of the machine for this company is the bright green vacuum fluorescent display with 0.2 in high digits. Texas Instruments is at 165 Bath Road, Slough, SL1 4AD Berks. (Slough 35544).

● HANDLING

Crane for offshore drill rigs

THE HARNISCHFEGER Corporation of America has evolved a pedestal-mount crane specifically for use on offshore drill rigs.

It has a maximum lifting capacity of 50 tonnes and an 18.28 metres heavy duty boom with a 1.5 metres whip extension designed for operation in heavy wind conditions. Boom extensions are available which pin connect for easy assembly or dismantling giving a maximum length of 36.5 metres.

The crane has six main components—the base, A frame, power unit, gantry, cab and boom, with the heaviest weighing 16,000 lbs. They are designed to be air lifted and assembled on rig or platform with minimum time and labour, requiring only 16 pins and 4 bolts to complete assembly.

The revolving superstructure frame is fabricated from deep section rolled alloy steel beams welded to heavy flange plates to form a rectangular boxed and stiffened structure. Connected by 4 pins to this structure is a winch platform which supports the main whip and boom hoist. All structural components are manufactured from a low alloy corrosion resistant steel.

The operator's cab is mounted on the side of the crane and gives uninterrupted vision both above and below the operator's eye level.

To ensure that the crane will withstand harsh North Sea environments design features include cadmium plated hardware, chrome plated shafts, sealed bearings and all gears are totally enclosed and run in oil. It is sold in the U.K. by Greenham, London Road, Isleworth, Middlesex, TW7 4EX (01-568 8911).

● POWER

Brings in standby if mains fails

AUTO-START units for use in conjunction with the company's four to 120 kVA generating sets have been put on the market by Atlanta Engineering, Hanworth Lane Trading Estate, Chertsey, Surrey (Chertsey 62655).

Sequence of events in the unit is detection of mains loss, starting the engine of the standby generator set, and connection of the load to the alternator, taking a time of seven to ten seconds. When the mains is restored the load is re-connected to the mains and the engine stopped.

Safeguards are incorporated to warn of any failure of the generator set. If the engine fails to start a warning lamp comes on after about ten seconds.

A number of options are available including visual and audible warning in the event of generator shut-down due to low oil pressure or high engine temperature. A "three attempts to start" warning can also be provided, and an "hours run" indicator.

Provision can also be made for a 30-second delay to allow for only temporary failure of the mains.

Dungeness B vessel completed

THE FIRST of the two concrete pressure vessels at Dungeness "B" nuclear power station (ordered by the CEGB ten years ago) has been completed.

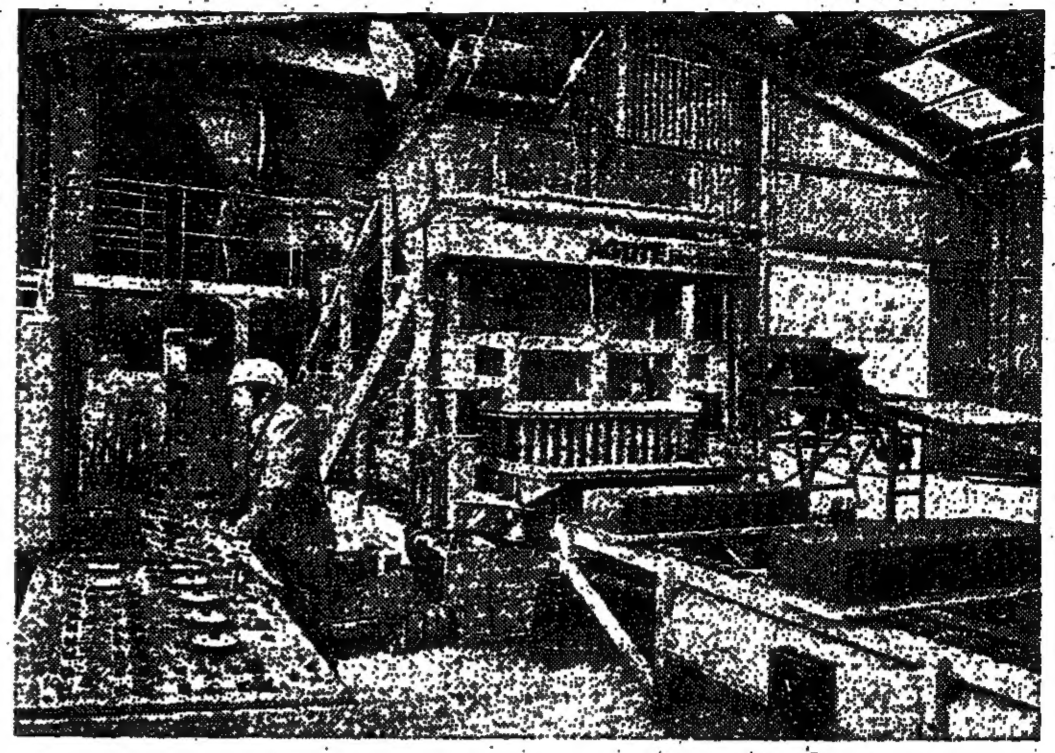
In each vessel, which was constructed by the main contractor, Balfour Beatty and Co., ducts have been pre-formed to take 986 pre-stressing tendons fabricated from 2,000 tonnes of wire. The final operation was the application of 717,000 tonnes prestress load using the Simon BBRV system.

After installation, each tendon was loaded to 742 tonnes and an analysis of the stressing records for the completed vessel revealed that the tendons have behaved as forecast under load.

The continuing quality and strength of all the tendons may be monitored during the life of the station by removal for inspection, replacement as necessary and restressing. Equally capable of being removed, inspected and replaced is each of the 7 mm. diameter tensile steel wires comprising each of the 1,932 tendons, a total of 314,916 wires.

Stressing started in the autumn of 1975 and the stressing of the second vessel, which should be completed in April, is now proceeding.

Simon Engineering, P.O. Box 31, Stockport, Cheshire SK3 0RT. (061-428 3600.)



Installed at TAC Construction Materials' plant at Widnes, Lancashire, this automatic concrete blockmaking machine is one of the first of a new type now being produced by Aglite Engineering, Nottingham Road, Derby (0332 364431). The machine — the Blockmaster — is capable of producing 2,500 12mm. thick blocks an hour.

● COMPUTING

Currency watchdog for U.S.

CONFIRMING the pre-Christmas report on this page Arbat Consultants, a subsidiary of Arbuthnot Latham, merchant bankers, has been laying the foundations of its United States operation, now officially named Arbat Systems.

The decision to launch in the U.S. stems from the fact that announced results of major U.S. banks show that increasing profits are being made by their international divisions. But the nature of international banking is such that those profits can turn into losses of millions over-night.

A real-time computer can provide current information that will allow managers to minimise the risk element of the banking operations. If the information is used correctly, the system can contribute to larger profits. Arbat was the first in the field in London and possibly Europe with a real-time foreign exchange dealing control system.

Arbat New York, staffed by resident programmers and technicians, has already started to install international banking systems at two New York-based banks, Bankers Trust and Chemical Bank. In both instances, the U.S. installations represent an extension of an existing relationship between Arbat and Bankers Trust and Chemical Bank. International banking systems for both banks have been installed in their London banking centres, as well as Chemical Bank's offices in Frankfurt, Paris, Brussels, Zurich and Milan.

In foreign exchange trading, the Arbat system offers current open positions and exposures with the currency being traded displayed on the terminal TV screen. The data displayed includes open positions in the currency, daily positions and rolling exposures and hedge positions, when applicable.

Customer limit utilisation is maintained by setting customer limits. As a deal is transmitted into the computer, these limits are updated, and on this basis, utilisation can be checked before a deal is completed. Nostro positions at correspondent banks are indicated by a series of displays that cover current balances at these banks, or cash flow projections for each bank within a currency.

Traders have the facility to call for information on all deals making an exposure on a particular date. When deals are entered on a dealing ticket, a limited amount of information is entered on the system, the position and utilisation details are also immediately updated. Reports are furnished to the trader before the start of each banking day. While trading activities during the trading day are furnished on an immediate, real-time basis, the daily summary reports are prepared each night on a batch basis.

Back office operations include the subsequent processing of the deal, production of contract notes, updating of relevant positions such as the Nostro positions and other controls.

Arbat is at 01-283 3801.

● METALWORKING

Handles bar safely

TO FEED black or bright bar into straightening and reeling machines, a semi-automatic bar handling system has been introduced by Cenbar Tools, Taylor Industrial Estate, Risley, Warrington, (Culcheth 4255) which complies with the latest safety requirements for bar finishing processes.

Bars from ½ to 4 inch diameter and from 10 to 16 feet long can be handled with the pneumatically-operated feed unit and a motorised outgoing conveyor.

On the in-feed unit is a cover which ensures that the bars are totally enclosed at the point of entry into the straightening rolls. A pneumatic interlock prevents the machine from operating if the cover is open. The outgoing conveyor is fully guarded.

● PROCESSING

Blasting clean with no dust

ABRASIVE BLASTING to clean welds, steel plate, tankers, car bodywork, concrete, etc., has usually required extensive precautions to recover the abrasive and keep the atmosphere pollution free, especially for in-situ work.

Euroblast, Snaygill Industrial Estate, Keighley Road, Skipton, North Yorks., BD23 1LA (0756 5641), claims to have overcome this problem with its range of portable pressure fed vacuum blast cleaning equipment, intended for use where a dust-free environment is a prime consideration.

The units are equipped with a blast gun fitted with a vacuum head. This not only blast cleans the chosen area, but creates a suction seal to the surface being treated. The vacuum extractor prevents both dust and the abrasive media from escaping. The collected material is returned to a cyclone, which also acts as an air-wash separator. The dust and lighter foreign bodies are removed, and the abrasive is recirculated.

● INSTRUMENTS

Records electrical variables

SINGLE pen chart recorder P100L from Foster Cambridge is a compact linear motor instrument for monitoring 50 Hz AC and DC current and voltage, frequency, power and power factor.

The linear motor consists of a coil assembly which travels in a magnetic field across the recorder scale. Indicating pointer, pen and slidewire contact are all carried directly by the motor coil assembly, the only moving mechanism in the servo system. Rapid wearing and error-prone linkages, gears and brushes used in conventional potentiometric drives are eliminated.

A wide range of inputs can be accepted by the P100L simply by changing a function card — a small printed board which is plugged directly into the amplifier circuit. The scale is also easily changed.

Writing width on the chart is 100 mm and the standard chart speed is 20mm/hr, although speeds of 10 or 60 mm/hr can be supplied to special order. Response time does not exceed one second to 95 per cent. of maximum reading. Accuracy is ± 0.5 per cent. of span on DC, 1.0 per cent. on AC. The instrument measures 211 mm x 128 mm square and weighs 4.2 kg. More from the company at Eaton Socon, Hunts. PE19 3EU (0480 75321).

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

If you need rescuing from mountainous fuel bills, call in a team of Sherpas.

All the recent increases in the price of oil have brought obvious problems to van users.

So any new name which can bring down those mountainous transport costs has got to be very good news.

That new name is Sherpa.

The Sherpa is the new range of vans from Leyland. It was born during the first dark days of the oil crisis, so a major priority in its design was fuel economy.

Which is why the Sherpa is incredibly cheap to run and operate.

Do you fill the tank more than the van?

When "Truck" magazine road-tested the 1.8 litre petrol-engined Sherpa 240, this is what they said.

"Startling fuel figures emerged from our test, and try as we might we could not get it below 20 mpg . . . and the 28 mpg main road figure, in give and take conditions, was especially good."

But you don't have to take just "Truck's" test results.

Rank's Hovis MacDougall Bakeries recently bought the diesel-engined Sherpa 215 for Mother's Pride bread delivery duty.

And they were amazed by its average working mpg figures: 36.4 miles to every gallon over 22,000 trouble-free miles.

Needless to say, this was far better than any of its direct competitors could hope to achieve.

Are your vans selling you short?

The fuel economy of the Sherpa is not, however, achieved at the expense of its load capacity.

The Sherpa van's 190 cubic foot loadspace (SAE) is highly competitive for a van of this class.

And because of the van's straighter sides and boxed-in wheel arches, every inch of that space can be easily utilized.

It is amazing, but none the less true, that this seemingly obvious design consideration is not found in most other vans.

And as for loadlength, Sherpa's 8′6″ maximum leaves most of its competitors far behind, and makes for faster, more efficient, loading and unloading – especially with the optional side loading door.

Large loadspace, long loadlength and amazing fuel economy.

All three work together to ensure that the Sherpa won't sell you short.

Is your van having a breakdown?

The most economical van in the world is no use to anyone if it can't take the strain of hard work.

The Sherpa can take that strain, thanks to its enormously strong steel monocoque shell.

And all underbody box sections and sills are wax-injected and sealed to help prevent corrosion.

Also unlike many other vans, the Sherpa's engine is mounted forward of the driver.

Obviously this makes maintenance much easier and the cab more comfortable.

And quite obviously a forward-mounted engine is more desirable from the safety aspect as well.

There are eight Sherpas in all, and they come in three payload ranges.

The Sherpa 185's can take up to 14 cwt, the 215's up to 19 cwt, and the 240's up to 23 cwt (dependent upon specification).

There are two engine options on the 185:- 1622cc petrol and 1798cc diesel.

And three on the 215 and 240, with the additional option of a 1798cc petrol engine.

All three give good acceleration and a high cruising speed, but not at the expense of petrol economy.

So your deliveries are fast as well as economical.

And whether you want panel vans or pick ups, crew buses or minibuses, chassis cabs, or even mobile home conversions, there's a Sherpa in the range that can be easily tailored for almost any job.

Do your vans come with the protection of Supercover?

Do your vans come with a year's free no-mileage limit warranty, including free parts and labour?

Or a year's free 24-hour roadside assistance from the AA?

Or a year's free Relay recovery service? Or a free 69-point pre-sale checkout?

Every Sherpa does. Because every Sherpa comes with Supercover – no other manufacturer offers more.

So call or write to Light Commercial Sales at Fletchamstead Highway, Coventry CV4 9DB. (Tel: 0203-75511. Ext. 720.)

And find out more about the vans that move more, further, for less.

Sherpa

From Leyland Cars. With Supercover.

Right now you can get Sherpas at pre-increase prices while stocks last. See your Leyland Sherpa dealer now.

ACCOUNTANCY APPOINTMENTS

COMPANY NOTICES

APPOINTMENTS WANTED

هكذا أصل الأصل

GENERAL APPOINTMENTS

A substantial British-owned international Group requires a

SENIOR FINANCIAL EXECUTIVE

This is a new appointment within the Treasury department and will be of particular interest to a mature executive of PROVEN financial experience. It is a staff role in a small team having the responsibility for the planning and assessment of alternative sources of finance for the activities of the parent company and its subsidiaries throughout the world.
Some travel is necessary. Another language, though not essential is an advantage, with the equivalent of a good degree in Finance, Economics or Law.

Salary Circa £10,000 Plus Car

LONDON

For further details in complete confidence please contact me as soon as possible:

Robin R. Whalley,

INTERNATIONAL APPOINTMENTS (LONDON) LTD.,
Calder House, 1 Dover Street, London W1X 3PJ.
Cables: INTERAPT LONDON Tel: 01-629 6867.

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Solicitors with experience of shipping work are required by large City Firm. A substantial salary, commensurate with the responsibilities undertaken and the Applicant's experience, will be offered. Barristers who would consider being admitted as Solicitors are also invited to apply.
Please write with full details to:—

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1a, Bow Lane, London, EC4M 9EJ.

DIRECTOR OF ADMINISTRATION

WARRINGTON BOROUGH COUNCIL

(Not over 55 years of age)
(£10,000 plus car allowance, expenses and pension)

The Borough of Warrington forms the greater part of North Cheshire at the intersection of the M6, M56 and M62 motorway network and contains some of Cheshire's most delightful countryside and a thriving industrial and commercial life, centred on the new town of Warrington.

Main qualifications for the post of Director of Administration will be personality, drive, economy of operation and management experience rather than a particular professional qualification; experience of local government is not necessary.

The post holder will be directly responsible to the Chief Executive for general administration work in connection with the Council's business. The Council has a workforce of 1,780. The holder of the post will also have an interesting and important role to play in the general management of the Authority as the post carries with it membership of the Management Team.

A job description can be obtained from the Personnel and Management Services Officer at the address shown below.

Applications, together with the names and addresses of two referees should be submitted to be received by 23rd February, 1976. Envelopes to be addressed to the Chief Executive Officer, Town Hall, Warrington, Cheshire, endorsed "Director of Administration" and marked "Personal and Confidential." Interviews are likely to be held in the week commencing 8th March.

INVESTMENT MANAGEMENT City

Senior Investment Officer - at least £6100

Investment Officer -at least £4200

to join the Investment Division of Williams & Glyn's, the fifth largest London Clearing Bank.

Reporting to Senior Investment Managers, and supported by the Division's Research Unit, the job-holders will be responsible for the management of portfolios within broad policy guidelines. They will also be expected to contribute to the development of those policies.

Candidates, probably aged 25 to 35, should have a minimum of 2 years'—and, for the more senior position, at least 5 years'—sound experience of investment management.

Benefits available include an attractive house purchase scheme, contributory pension scheme and relocation assistance to London where appropriate.

Please write giving full career details and quoting reference *B.714* to:

M. T. Brookes,
Williams & Glyn's Bank Limited,
New London Bridge House,
25 London Bridge Street, London SE1 9SX.

WILLIAMS & GLYN'S BANK

W. I. CARR, SONS & COMPANY

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Deputy to the head of the Foreign Dealing Department required. Candidates for this post should have experience of arbitrage, have some knowledge of Foreign Exchange dealing and be fully conversant with Exchange Control Regulations.
This is a position of great responsibility and the rewards for the right man are very attractive.
Please contact Mr. R. A. Warren 01-248 2090.

J. F. L. CITY OFFICE

247 1358

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Investment Analyst Degree + 1 year's exp.	c£3000

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Accountant Newly qualified + some exp.	c£4000

Please ring Patrice Ware for details
J.F.L. CITY OFFICE, 128/140, Bishopsgate, EC2.
(Entrance in Houndsditch)

ARBUTHNOT INVESTMENT MANAGEMENT SERVICES LIMITED
(a member of the Arbuthnot Latham Group)
seeks an

Executive in PORTFOLIO MANAGEMENT

The successful applicant for the above position in a specialist team responsible for advising our institutional clients will be between 26 and 32 years of age preferably with a professional qualification and/or an appropriate degree. A minimum of three years experience with a stockbroker or in the investment department of a financial institution, is essential. A knowledge of overseas markets, especially North America would be an advantage.

An attractive salary, according to age and experience, plus the usual bank fringe benefits, will be offered.

Please write enclosing full curriculum vitae to

D. L. Cadman,
ARBUTHNOT INVESTMENT MANAGEMENT SERVICES LIMITED,
87 Queen Street, London, EC4R 1BY

NATIONAL WATER COUNCIL

Assistant Director (Industrial Relations) Manpower Services

£8700-£10,800 pa.

Based at the Council's London office, you will report to Geoffrey King, Director of Manpower Services, and will be involved with him in assisting water authorities on industrial relations matters that are of common concern. In this field the Council works with the authorities and others on a basis of close co-operation.

The Council's staff are relatively few in number and there is considerable scope for personal initiative and involvement. The key points of the job will be co-ordinating policy planning for negotiations and other industrial relations objectives, and servicing representative groups engaged in this work.

This is an important post requiring well-developed professional expertise. Proven experience of negotiation of terms and conditions of employment for staff, manual employees and craftsmen is essential. A relevant professional qualification would be an advantage.

Conditions of employment are good and salary will be between £8700 and £10,800pa.

Applications should be sent to Mr. R. H. Pamplin, Assistant Secretary (Establishments), National Water Council, 1 Queen Anne's Gate, London SW1H 9BT, to reach him not later than 16th February, 1976.

ECONOMIST

Investment Management

Scottish Widows' Fund and Life Assurance Society wishes to make an important new appointment of an economist in its Investment Department. The economist will work closely with colleagues at senior level bringing the analysis and interpretation of economic forecasts to bear on formulation of investment policy and management. This is an unusually interesting career appointment and the salary and conditions will be open to agreement and appropriate to attract a well qualified economist probably aged 29 - 37 who ideally already has at least five years' successful investment experience with an institution or possibly a major broker. Location Edinburgh.
Please write in strict confidence with full career details to A. W. B. Thomson, 12 Lynedoch Crescent, Glasgow, G3 6EQ.

SELECTION THOMSON

INVESTMENT ANALYSTS

A leading London stockbroking firm has the following two vacancies in its Investment Research department.

FOOD/FOOD RETAIL ANALYST

An analyst is required to work in the Food Manufacturing and/or Food Retail sectors. Knowledge in these sectors would be an advantage but analysts working in other areas who wish to broaden their experience are also invited to apply.

TRAINEE INVESTMENT ANALYST

A vacancy exists for a trainee investment analyst who will probably be a recent graduate or professionally qualified person or a graduate with some industrial experience.

Salaries will be negotiable and will be fully competitive with current market rates.

All applications will be treated in the strictest confidence. Please apply to Box A.5405, Financial Times, 10, Cannon Street, EC4P 4BY.

When you're a success in assurance don't you still need reassurance?

Well, don't you? After all, it's hardly good enough to be earning a healthy income unless you feel certain that your future will be prosperous and secure. If you've any doubts on that score, and you've achieved demonstrable success on the sales or technical side of life assurance, consider joining Noble Lowndes Personal Financial Services Division as a Senior Life Assurance Consultant.

With us you'll get all the rewards you would expect of leading consultants with a high reputation who are part of Hill Samuel. A basic salary up to £3500 which you can double with profit sharing. A car and expenses. Non-contributory schemes for pension, life assurance and BUPA. And we'll give you all you need to improve your career position. Highly professional training. The advantage of a substantial existing connection and quality company leads. Opportunities to take increasing responsibility.

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PARLIAMENT

Cooling the cod war

BY PHILIP RAWSTORNE

"IT WILL NOT be easy to find a solution to this most delicate problem." Mr. Harold Wilson warned in his Commons statement yesterday on the "cod war" negotiations.

Ill-judged words or actions could endanger the prospects, he said—and the Prime Minister himself was the very soul of discretion. "Cool it," he quietly appealed to both sides on the fishing grounds and, with the sympathetic support of Mr. Reginald Maudling, to both sides of the Commons.

The Government had approached the issue in a constructive spirit and with the greatest restraint, said Mr. Wilson. It had fully recognised and shared the Icelandic Government's concern for adequate measures to conserve the fish stocks which were vital to its economy.

And though there had been no agreement on the total catch that should be allowed, the British Government had shown "a great deal of flexibility," he said.

"It is important to help the chap you are dealing with as well as to stand up for your own national interests," Mr. Wilson added, reflecting on the political perils facing the Icelandic Prime Minister.

But he assured Mr. James Johnson (Lab., Hull W.), and other fishing constituency MPs, that the Government had been grimly aware of the unemployment threat to the industry.

For every 1,250 tons of cod not caught, another vessel would be confined to the breaker's yard; 25 to 30 fishermen and five times that number of ancillary workers made jobless.

A successful compromise was vital, Mr. Wilson agreed with Mr. Patrick Wall (Con., Haltemprice). But, if it could not be achieved, he added firmly, and our fishing fleet was again harassed, the Royal Navy frigates, now outside the 200-mile limit, would return to protect the vessels.

"This country has always insisted on the freedom of the high seas," Mr. Wilson said.

Ennals hits at 'sniping' over cost of envoys

URGENT CUTS in entertainment allowances are needed to convince the public that the Diplomatic Service is "anything other than endless cocktail parties and banquets," Mr. Max Madden (Lab Sowerby) said in the Commons yesterday.

Asking the Government to cut by half the entertainment costs of British embassies and missions abroad, he attacked the "extraordinary expenditure of over £7m. on entertainment in the past five years."

"Increased staff costs, and increased spending on renting and maintaining embassies abroad conflicted with calls for economic stringency at home, he said during Commons questions.

Mr. David Ennals, Minister of State for Foreign Affairs, strongly defended the service against the "sniping" which he said had been aimed at it.

Rejecting the 50 per cent. cut, he declared: "The purpose of entertainment allowances is not to keep our staff happy but to promote British interests overseas. Our exporters know just how much this matters to them and to British industry at home."

A 10 per cent. cut in entertainment costs had already been announced for the next financial year. Any further cuts would anticipate the review being carried out of overseas representation.

Callaghan promises some firm proposals on direct elections

FINANCIAL TIMES REPORTER

ANTI-MARKETEERS on the Labour backbenches who are opposed to direct elections to the European Parliament met with a stinging rebuff from Mr. James Callaghan, Foreign Secretary, in the Commons yesterday.

He administered it in replying to Mr. Reginald Maudling, "shadow" Foreign Secretary, who asked: "Do you consider that this country is committed in principle to direct elections whatever any Labour Party conference may say?"

Mr. Callaghan answered: "Yes."

Earlier, Mr. Eric Heffer (Lab., Walton) had reminded the Foreign Secretary that the issue of direct elections to the European Parliament was discussed earlier in the day by the Labour Party's NEC, who had unanimously decided that no final decision should be made on the issue until the full implications, both for the party and the country, had been carefully examined.

Mr. Callaghan said it was for the Labour Party to decide whether or not to call a conference on the matter, but as far as the Government was concerned, consultations had already begun with the leaders of the other political parties in Parliament.

At a later stage, it would be for Mr. Roy Jenkins, Home Secretary, to take the course normally followed in electoral matters by calling representatives of the various party organisations together so that detailed proposals could be considered.

Mr. Callaghan explained that a decision had yet to be reached on whether a White Paper or a consultative Green Paper should be published on direct elections. But he made it clear that the Government was likely to have firm proposals to put forward on the total number of members who should form a directly-elected assembly and how they should be distributed among the member States.

There were a number of other questions which needed to be identified for public discussion, and these included electoral arrangements and the possibility of dual membership, he added.

Mr. Dennis Skinner (Lab., Bolsover), one of the most persistent anti-Marketeers on the Government backbenches, pointed to the dilemma which Mr. Callaghan would face if the Labour Party decided against direct elections.

"If you cannot, as Foreign Secretary, accept the decisions of the Government and the NEC, why continue to serve both?" he asked.

Amid laughter, Mr. Callaghan said he knew that Mr. Skinner would like to take his place on the NEC — "but you will have some competition first before you achieve that." Britain's EEC partners knew the Government's position exactly.

"As to whether there is a controversy between the Government and the Labour Party conference, I don't know. We have not had a conference yet."

In further exchanges, Mr. Callaghan reaffirmed his opposition to the idea of a division of the Nine member-countries of the EEC into two tiers, with the economically weaker, including Britain, forming the second.

He stressed that the matter would have to be discussed by the Council of Ministers and unanimous agreement attained before such a change could be introduced.

Exclusion power rids Ulster of 'Botany Bay' feeling—Tory

PEOPLE of Northern Ireland felt as if Belfast was a modern Botany Bay, Mr. John Biggs-Davison, an Opposition spokesman on Ulster said in the Commons yesterday.

He was welcoming an alteration to the Prevention of Terrorism (Temporary Provisions) Bill, under which U.K. citizens could be excluded from Northern Ireland—as well as Great Britain—where they were suspected of terrorism.

The change was made in the form of a Government new clause, which was agreed without division. Mr. Roy Jenkins, Home Secretary, said it introduced the concept of reciprocity in the making of exclusion orders.

Mr. Jenkins said that at present a citizen of the U.K. and colonies could be excluded from Britain if he was suspected of terrorist involvement. A non-citizen could be excluded from the whole of the U.K. But at present there was no power to exclude a citizen from Northern Ireland.

"We know of no examples recently where we would have liked to make an exclusion order of this sort. But the situation could arise and if there is no power to exclude citizens from Northern Ireland there could be a feeling of lack of equality of treatment and a feeling of lack of unity of the U.K.

"It is appropriate in the interests of logic, rather than practicality, to bring forward this new clause."

Mr. Biggs-Davison said: "We believe it does have a practical application, because it is very important to the morale of the brave and battered people in Northern Ireland."

At present, the people of the Province felt as if Belfast was a modern Botany Bay, the only difference being that those transported to Botany Bay were held in restraint. Since detention had been ended in Northern Ireland, this was not the case with suspects sent to Belfast.

...Mr. Enoch Powell (UUU Down S) also welcomed the new clause. "Many people feel that Northern Ireland is a dumping ground for unwanted terrorists from Britain," he said.

Replying to discussions, Mr. Jenkins assured MPs that the new clause was designed to cover acts of terrorism committed in the Northern Irish context. There was no intention of its applying more widely.

The House approved another new clause creating an offence respecting fund raising in the U.K. for acts of terrorism in connection with Northern Irish affairs.

The new clause makes it an offence for a person to solicit, or invite a gift or loan, or accept any money or property, if he intends it shall be used for, or in connection with, acts of terrorism in Northern Ireland.

It also makes it an offence for anyone to give money or property knowing, or suspecting, it will be used for such acts of terrorism.

Mr. Jenkins declared: "This places an onus on people contributing to collections to find out if they suspect the money will be supplied to terrorists."

Mr. William Whitelaw, "shadow" Home Secretary, supporting the proposal, said no-one who had experience of dealing with terrorism would doubt the considerable impetus given to it through money "extorted by protection rackets, intimidation, and many other methods."

Mr. Ian Mikardo (Lab. Bethnal Green and Bow) claimed that this proposal would make no contribution towards preventing collections. "Nobody is going round the pubs of West London or elsewhere saying they were collecting money for bombs to blow people up and kill people in Belfast or Birmingham," he said.

Mr. Powell claimed there was "considerable public indignation" about these collections. If only a small proportion of these fund raisers could be brought to book, it was right that the Commons should provide the powers for doing so.

Liberal spokesman, Mr. Alan Beith, supported the new clause but urged the Government to consider the kind of invitation so often proclaimed as a collection on behalf of dependants of the "boys in Long Kesh" or "the men in Armagh." This money might be used for those dependants, but in other cases the collections might be very badly misused.

Mr. Ivan Lawrence (C Burton) said: "Although we may differ as to the effect and the interpretation of this clause, it does not seem to me to add anything. It does not seem even remotely to close the loophole in the law."

Thorpe gives support to 'rights of English'

LIBERAL LEADER Mr. Jeremy Thorpe yesterday spoke up for the rights of the English in any devolution plans. Addressing members of the House of Commons Press Gallery, he said there were English MPs who were not in favour of any form of devolution at all unless England got certain rights as well.

"I agree with them absolutely. Devolution of genuine power is in the interests of good government, not only in Scotland and Wales, but in England as well."

Mr. Thorpe said there were three alternatives with devolution—doing nothing at all, separatism, or federalism.

"Doing nothing at all is virtually ruled out by the majority of opinion, because such a centralised form of government is crazy in any event. Separatism is a perfectly logical argument, but I do not think the majority want it.

"The worst system of all is the present Government's policy, where they are saying that Bills passed by the Scottish Assembly must be acceptable to Westminster, which must retain an indefinite veto."

Mr. Thorpe added: "I think the only way to make things work is by having a clear constitution, with written powers devolved, and the proper written right of appeal to the court.

"Although power-sharing failed in Northern Ireland, the actual administrative devolution was a very great success. The Government of Ireland Act is a pretty good point to start from."

But the Liberal leader warned "If Mrs. Thatcher retreats from the Heath concept of an elected assembly in Scotland, then she will get the break-up of the United Kingdom quicker than the break-up in Ireland for which her party was responsible."

Call for referendum

BY RICHARD EVANS, LOBBY CORRESPONDENT

A CALL for a referendum in Scotland on the Government's devolution proposals came yesterday from Mr. Robin Cook, Labour MP for Edinburgh Central.

He tabled a Commons motion calling on the Government to arrange a referendum "in order that it can submit to the Scottish electorate its proposals for a devolved assembly to handle Scottish affairs within the context of a United Kingdom with a single Parliament and with an integrated economy."

Mr. Cook, a member of the Tribune Group, said he was weary of repeated claims that the Scottish electorate demanded a substantially greater measure of devolution than the Government had proposed. It was time the Scottish people were asked for their own opinion.

The form of question he had suggested would give them the opportunity of recording their preference for a wholly separate Scotland, and would compel the Scottish National Party to admit honestly that what they really wanted was not devolution but independence.

SNP policies 'unreal'—Ross

THE Scottish National Party has the policies of an unreal world, where slogans and gimmicks matter more than facts, Mr. William Ross, Secretary for Scotland, said last night.

In a message to the Labour candidate in next week's regional council by-election at East Kilbride, he said that abour's record was second to none in the provision of facilities needed by a young, growing community and in the efficient management of local government.

Attacking the SNP, he said: "Dragging the Scottish people into a separatist state is no answer to the real problems that we face."

● Scottish Nationalists were told not to get over-excited about their council election successes by Mr. William Wolfe, the party's chairman. He said: "We are blessed with a full cup. Let's hold it with a steady hand."

In elections, this week, the SNP won a seat in Edinburgh and failed by 45 votes to gain Cumnock Ward from Labour in South Ayrshire.

MPs' catering chairman to resign

MR. JAMES DUNN, the MP at the centre of the storm over the £12,000 German crockery bought by the House of Commons, confirmed yesterday that he is resigning next month as chairman of the Commons catering sub-committee.

He denied that the crockery issue had anything to do with his decision.

Mr. Dunn, who is Labour MP for Kirkdale, said that when he accepted the job two years ago, it was for a limited period only. He felt he had achieved what he set out to do—including dealing with re-organisation of the catering department.

"The year ahead will make rather extraordinary demands on Parliament. I am a Government Whip and this will mean that I must give priority to attention of the affairs of Government," he added.

Nessie's nurse

THE Nature Conservancy Council would have to take the lead in making representations before Nessie is protected under the Conservation of Wild Creatures and Wild Plants Act, Mr. William Ross, Scottish Secretary, said in a Commons reply.

New peer

FORMER LABOUR MP Mr. Tom Driberg was introduced in the Lords yesterday as Lord Bradwell.

Left restores candidate rules change to agenda

BY LORELIES OLSLAGER, LABOUR STAFF

LEFT-WINGERS on the Labour Party National Executive won an important tactical victory yesterday in their drive to make MPs more accountable to their constituency parties.

To the dismay of moderates and Right-wingers, the executive decided to resuscitate a motion defeated in the organisation sub-committee on Monday under which constituency parties would be given the right to hold a fresh selection conference for candidates at each general election.

The organisation committee had defeated the motion by Mr. Ian Mikardo to amend party rules to that effect by six to five, on the casting vote of the chairman.

But at yesterday's executive meeting, Mr. John Forrester, deputy general secretary of the Technical and Supervisory section of the Amalgamated Union of Engineering Workers, brought up Mr. Mikardo's motion again. By a vote of 12-2, it was referred back to the organisation sub-committee for further consideration.

Mr. James Callaghan, Foreign Secretary, warned the executive that the party would make itself extremely vulnerable to Left-wing pressure groups if Mr. Mikardo's motion led to a change in the party rules.

Mr. Anthony Wedgwood Benn, Secretary for Energy, supported Mr. Mikardo.

The Right and moderate wings of the party will now attempt to defeat the motion again both in the organisation sub-committee and in the executive, if it should return. The Prime Minister and two moderate Ministers were absent when yesterday's vote was taken.

Call to monitor multinationals

FORTY LABOUR MPs have signed a Commons motion calling on the Government to establish an "Inward Investments Board" to monitor both new and existing foreign investment in Britain.

The motion says that scrutiny of the activities of foreign-based multinational companies needs to be improved.

LABOUR NEWS

Strikes cost industry fewer working days

BY OUR LABOUR STAFF

INDUSTRY LOST fewer working days through strikes last year than in any year since 1968, accordin gto Department of Employment figures published to-day.

The number of strikes was the lowest for four years. At the same time, the rate of pay rises also showed a fall, with weekly rates for manual workers increasing 25.3 per cent. (29.4 per cent. in 1974).

Earnings, as opposed to basic rates, are rising at a rate 4 per cent. below that of prices.

The marked improvement in the strike figures for 1975 over the previous year, which was becoming evident several months ago, is amply confirmed by the January issue of the Department of Employment Gazette.

The number of days lost, at 5.96m., was 60 per cent. less than in 1974. The number of stoppages dropped 23 per cent. from 2,922 to 2,263 and the number of workers involved, directly or indirectly, by over half, from 1.63m. to 805,600.

Last year's strike total of 2,263 compares with an average annual figure of 2,624 over the past ten years. Of 26 industries surveyed, all but five showed a better record than the year before.

But the Department of Employment points out that the 1974 figures were greatly swelled by the national miners' strike which toppled the Conservative Government, with 5.6m. working days lost. Last year, only 51,000 working days were lost in coal mining.

Days lost in the motor industry dropped last year from 1.75m. to 856,000, and the number of strikes from 223 to ... There were fewer strikes, ... more days lost, in the manufacture of "other vehicles," in chemical industry and in docks.

Among the strikes of ... prominent in terms of days ... were those at Imperial Chemical Industries' Teesside plant, Plessey Telecommunications, Swan Hunter shipbuilders, Ford Motor's Dagenham plant.

Substantial lay-offs ... occurred because of strikes at Chrysler U.K. and Massey-Ferguson in Coventry. The London dockers' strike last spring alone accounted for 258,000 days lost.

White collar group seeks arbitration on allowance claim

BY OUR LABOUR STAFF

THE SECOND largest group of public sector white collar employees in London is seeking arbitration on a claim for an increased allowance to compensate for rises in living costs in the capital.

The Advisory, Conciliation and Arbitration Service is being asked to set up an arbitration tribunal after a break-down in talks between unions and council employers.

The National and Local Government Officers Association, the main union involved in the present claim, said yesterday that the employers had offered only an average increase of £15 per person to the present allowance, which ranges from £381 in inner London to £120 on the outer fringes of the capital.

The employers' offer was based on the recent agreement for increased London allowances for about 168,000 civil servants, which fell far short of initial union demands.

Like the Government, the local authority employers say that the existing allowances are much higher than the figures recommended by the now defunct pay board in 1974, and that the cost of living increase should be calculated on the pay board figures and not the existing allowances.

The employers said yesterday that they had not made an offer for individual increases, but had calculated that a total of about £1m. could be spent on increased allowances this year, the distribution of which could be negotiated.

An increase in London weighting allowances for council staff is not affected by the £6 pay policy, as it was due to have been implemented last June, before publication of the White Paper on counter-inflation.

Laymen's views sought by union

By Our Labour Staff

THE SHAPE of worker participation in the nationalised aircraft industry is the subject of a union conference to-day at which shop floor workers will present their ideas.

The conference will help union leaders to draw up a scheme for giving aircraft workers a say in the running of British Aerospace when it is set up, possibly in July.

The Department of Industry has asked the unions to put forward their plans by the end of next month, so that the organising committee for British Aerospace can start working on a structure for participation.

To-day's conference at Congress House in London will be attended by lay union delegates, both manual and white-collar, from all aircraft factories as well as officials of the Confederation of Shipbuilding and Engineering Unions.

Mr. Jack Service, general secretary of the Confederation, said last night that the unions hoped that worker participation machinery would be set up and ready to start working as soon as British Aerospace, under the chairmanship of Lord Beswick, is formally launched.

The degree of worker representation on the main Board, if any, could be one of the last elements of the structure to be decided — as in the case of other industries for which the Government is canvassing industrial democracy submissions.

Resigned councillor faces party probe

BY OUR LABOUR STAFF

A SENIOR trade union official who resigned his seat on the Labour-controlled Oldham (Manchester) Council in protest over spending cuts to-day faces a local party disciplinary committee to explain his action.

Mr. Colin Barnett, North-West regional secretary of the TUC and regional organiser for the National Union of Public Employees, said that cuts in spending on nurseries and old peoples' homes were "incompatible" with his union position.

He objected to the cuts while money was still being spent on "free beer and cigarettes," and on some facilities in Oldham's new £1m. civic centre.

Mr. Frank Hall, secretary of the West Oldham constituency Labour Party, said that Mr. Barnett could be facing anything from a ticking-off to expulsion from the party. His case is being brought before the disciplinary committee by the council Labour group.

Mr. Hall said that the new civic centre would include concert facilities.

"It was felt that a town such as Oldham should be able to attract people like the Halle Orchestra which other towns enjoy but we don't because we have nowhere for them to go."

He sympathised with Mr. Barnett's position as a union official but added: "When you are an elected councillor you have to represent everybody, even those who did not vote for you. Events force you to take certain steps which are not popular."

Briginshaw quits EEC

By Our Labour Staff

LORD BRIGINSHAW, former general secretary of the printing union Natsopa, has given up the seat on the EEC's economic and social committee to which he was appointed last year as a TUC nominee.

He gave up his main TUC appointments in the autumn and has just been appointed a part-time member of the British National Oil Corporation.

Tighter controls urged on immigrant workers

BY OUR LABOUR STAFF

THE TUC is to ask the Home Secretary to impose tighter controls on illegal working by foreigners in the hotel and catering industry, after recent reports that many immigrant workers in the industry do not have work permits.

The hotel and catering industry committee of the TUC, which is seeking a meeting with Mr. Roy Jenkins, Home Secretary, says it will suggest stronger implementation of existing legislation as well as changes to the law.

The TUC said yesterday that illegal immigration exacerbated the serious level of unemployment at present, but it also believed that the pay and conditions of workers in the industry would benefit from a more organised labour market.

The TUC also said that it was not conducting a "vendetta" against foreign workers, and would suggest to the Home Secretary that there should be an amnesty for illegal workers already in Britain.

The reports that started the TUC's concern came from the Joint Council for the Welfare of Immigrants, which claimed that only 53 out of 330 workers interviewed in London had permits.

● Nurses and health visitors should be given housing by local authorities, the TUC says in a letter to Mrs Barbara Castle. This would ease staffing problems, it claims.

It also wants Mrs. Castle to provide regional security units for mental patients with criminal or violent tendencies, since such patients expose staff and other patients to "unacceptable" risks.

Cowley steward 'threatened'

OXFORD police are investigating a complaint by a shop steward at Leyland's car assembly plant of threats to his life if he did not drop complaints about recent union elections.

Mr. Peter Boyles, one of the unsuccessful candidates in elections of TGWU shop stewards, said yesterday that he had received two menacing telephone calls. He is now off work recovering from injuries received in a road accident.

Jobs scheme expanded

Another 510 places have been added to the 3,000 in Community Industry, the Government-backed employment scheme for young people who find it hard to settle into jobs.

Transport plans ready soon

BY JOHN HUNT

THE GOVERNMENT'S consultative document on an integrated national transport system would be published in 6-8 weeks, Dr. John Gilbert, Minister of Transport, told the Parliamentary Labour Party yesterday.

He also said that the Government would introduce a Bill which would relax various transport licensing conditions on an experimental basis in four areas. Among other things, it would encourage wider use of buses for passengers and mail.

The Minister did not give further details. But it is understood that the Bill is mainly aimed at easing regulations to help rural areas where people have suffered hardship because of public transport cuts. The Bill has already been drafted and wide consultations will take place before it is introduced.

Dr. Gilbert came under heavy pressure from Labour backbenchers who were against further cuts in the railway system and wanted to know whether such reductions would be proposed in the consultative document. They also strongly opposed further increases in rail fares.

He was also closely questioned by Mr. Alex Lyon, Minister of State at the Home Office—a rare occurrence at a Parliamentary Labour Party meeting, where it is unusual for a Minister to cross-examine a Government colleague.

Mr. Lyon wanted to know if the Government had stipulated that there should be a reduction of £550m. in British Rail investment over the next five years.

Although Dr. Gilbert did not comment directly on the possibility of large rail cuts, he had little comfort to offer.

Painful decisions had to be made on future public spending and those who looked back nostalgically to the profitable years of the past on the railways should realise that there had been an explosion in car ownership.

However, the Government recognised it had a great responsibility for the 40 per cent. of the people who had no cars.

Labour MPs should await the consultative document. The Government would not make snap decisions. There would be several months of consultation after publication.

It was high time the Government looked at transport priorities and this was why the document would deal with the whole field—not just with the railways.

There had been a steady trend over the last few years away from the roads and on to public transport and the Government had no intention of reversing that trend. It was not true that the Government was not trying to help the railways.

Total Government assistance to British Rail was running at £500m., of which £300m. was for passenger revenue support.

"The Government is not suggesting that the railways should be run on a commercially profitable basis overall. But the Government does expect British Rail to hold their revenue deficit at the same amount after allowing for inflation."

The Marketing Scene

his exclusive survey of the cost of a salesman RUDY GOLDSMITH, chairman of Sales Force Ltd., shows how companies are reacting differently to inflation

A salesman costs £8,278

COST of operating a sales has risen by nearly 25 per in the past year. This is the nding from the latest survey ales Force Limited among r manufacturers employing sentatives to call on whole-s and retailers.

its 1974 survey, Sales Force ached 40 companies, and in the list was extended to 48. The companies who co-ated represent the broad m of consumer goods, in-ng manufacturers and rters of a wide range of , alcoholic and non-alcoholic confectionery, non-ription medicines and do-it-self products.

e overall cost increase of per cent. in 13 months is ably not surprising in view e rate of inflation. However, underlying details provide able insights as to how com-es have succeeded in absorb-he cost increase of individual s which make up the overall et.

st significant is the decline presentatives being paid to away from home overnight incurring hotel expenses. In some 22 weeks were bursed on this basis, but the ber has since fallen to 18 in , and now in 1975 to eight. nd this trend may not be the eased cost of staying away home but the increasing ortion of turnover done by ers resident in the principal s and main conurbations.

s car travel expenses have eased substantially, the age cost for operating from e has gone up from £14 to per week, thus absorbing the ng achieved in reducing stay-y expenses. The net result, ever, is that, in spite of tion, average net expenses e not increased overall.

n interesting problem arises the cost of cars. The cost depreciation has gone up by 10 per cent. and this, per-s more than anything else, ws how misconceived current ountancy practices are in a iods of inflation. Owners of ts are depreciating cars on basis of their purchasing s. Re-sale values are high hence depreciation is arently low. Yet with steep eases in the cost of new , vehicles are being operated longer mileages and de-ciation as now calculated will no way express the true cost running vehicles which will e to be replaced at a very ch higher cost.

While the accounting profes-n and the Inland Revenue e not agreed on any pro-ure of inflation accounting, it y be worthwhile for market-men to bear in mind that, en the cost of new car re-cement rises by 50 per cent., s wise for internal accounting think of a similar adjustment depreciation even if this is allowed by the Inland enue. Significantly, manu-facturers who lease their vehicles are currently encoun-tering costs 25 per cent. higher than those who own their own fleets. The differential is, how-ever, deceptive as the hire com-panies have to allow for replace-ment costs in evaluating their service.

Actual average remuneration of representatives has increased by some 40 per cent. in 13 months when commission, insur-ance and pension benefits are included.

Two other items, although small in themselves, have in-creased quite out of proportion to the average. These are the cost of sales analysis—83 per cent.—and the cost of training —173 per cent. Both items would suggest that companies are making great efforts in utilising the average salesman's time now that total costs are well over £8,000 per salesman per annum.

Sales management costs show up yet another peculiarity. While the cost of area managers has increased more than pro rata, namely 31 per cent., the cost of general sales manage-ment has increased by only 12 per cent., bearing out a general observation that the upper levels of management are not receiv-ing the same proportionate in-crease in remuneration as middle management. Clearly, senior people do not at present secure increases which other levels obtain by moving else-where or threatening to do so.

The average weeks worked appears to have steadied out and is now 44½ weeks for the average representative. Finally, the first figure in the budget, namely the cost of recruitment advertising, shows a substantial decline which would be indicative of the fact that, by and large, sales forces are being maintained at their past level or are actually declin-ing. Hence, budgets for recruit-ment advertising have fallen.

Hidden by the overall in-creases is the greater difference between the lowest and highest cost companies. Previous sur-veys gave a difference of the order of 50 per cent., but this has now increased to 80 per cent. This, in turn, is reflected in aver-age representative remuneration which ranges from just over £3,000 per annum in the lowest paying company co-operating in the survey to £6,000 in the best paying. In certain fields, such as sales analysis, the difference is even more marked with several companies spending well over £1,000 per representative while others confine themselves to minor expenditure of under £100. Inflation and rapidly changing sales prospects have clearly caused companies in similar fields to adopt very different tactics in coping with an uncertain economic climate.

WHAT SALESMEN COST NOW

AVERAGE BUDGET FOR 12 MONTHS

	Oct./Nov. 1974 £	Dec. 1975 £
Cost of recruitment (advertising, interviewing, etc.)	155	87
Remuneration (including bonus, commission, prizes, Nation Insurance & company pension)	2,891	4,050
Company vehicle — depreciation	320	354
service and repairs	165	191
licence, insurance and non-insurable damage	120	156
loss of interest on capital	160	195
Expenses for operations from home		
1974—26 weeks at £14	364	—
1975—36.5 weeks at £19	—	693
Expenses for operations from hotels		
1974—18 weeks at £47	846	—
1975— 8 weeks at £61	—	488
Sales Manager (inclusive of secretary, expenses and overheads)	350	393
Area Manager (inclusive of expenses and overheads)	750	983
Wages calculation	30	23
Sales Analysis	60	110
Secretarial (including overheads)	135	129
Stationery (daily reports, expenses claims, postage, telephone out, accounts department)	240	235
Training	70	191
TOTALS	£6,656	£8,278

OWN LABEL LINES

Price gap narrows

BY ANTONY THORNCROFT, MARKETING EDITOR

THE emergence of price as the key factor in grocery marketing, now apparent in the switching by housewives away from premium priced and convenience brands towards the cheaper alter-natives, should have given a great boost towards retailers' "own label" lines whose main sales appeal is that they are usually cheaper.

This has not happened. Indeed in 1973-74 own label sales as a percentage of grocery turnover probably declined from its hold of around 18 per cent. of turn-over in 1972. There may have been a marginal gain last year as the grocery trade's distribu-tion returned to normal, but own label is obviously not the chal-lenge to manufacturers that it once seemed.

The narrowing of the price advantage in own label may be caused mainly by general price restraint in the leading grocery lines, and partly caused by a reluctance of manufacturers to *supply at very cheap (and low profit)* rates to the retailers. Al-though most companies will now make for own label they are now sophisticated enough to aim for some commercial advantage.

The latest edition of Mintel, the marketing monthly, attempts to estimate the price saving on own label lines against the brand leader in a number of major markets. Some research com-pares prices in Fine Fare, Tesco and Sainsbury shops in Janu-ary 1973 and November 1975 and in only one market in one shop does the own label line show a bigger percentage saving in 1975 over 1973. In many cases the price difference between the products remains the same but in a period of rapid inflation the percentage saving from buying the "own label" line is much smaller.

For example 3lbs of flour was 26 per cent. cheaper in the Fine Fare own label in 1973 but only 14 per cent. cheaper last Novem-ber. For Tesco the saving had narrowed from 23 to 5 per cent. and for Sainsbury from 28 to 15 per cent. It's a similar picture in baked beans with Fine Fare narrowing its own label gain from 14 to 8 per cent.; Tesco from 25 to 12; and Sainsbury from 14 to 8 per cent., although in the first and third instances the shopper would still be sav-ing a penny on a 16 oz pack by buying the retailer's brand.

Rather ironically Mintel also asked shoppers their views on own label. A half thought that they were the same as adver-tised brands and 16 per cent. regarded them as better. This is quite at variance with the facts, for in a survey of 15 major manufacturers of grocery pro-ducts, three admitted that their own label lines were of a lower standard than their advertised products, with two companies actually ensuring that the pro-duction was inferior, to maintain the appeal of their main, major profit making, brands.

Four of the companies approached said that they did not supply for own label, al-though only one was rigidly opposed to the whole idea—the other three agreed they might change with the times. In fact most companies now regard own label as a useful way of keeping the production lines busy, add-ing to profits with a minor rise in costs. Three manufacturers already have *special sales forces* to handle own label, and two have developed special products for retailers.

Own label seems to have settled down as an accepted part of the grocery business, with ad-vantages for both retailer and manufacturer as long as a balance is maintained. This was the experience in the U.S. and it seems to be happening here. Most multiples regard 25 per cent. of their sales under their own name as about right, al-though Sainsbury, of course, has carried it much further and Marks and Spencer is totally committed to a premium priced, own brand, policy. Shoppers seem to have few doubts about buying goods carrying the re-tailers name—a Mintel survey *of 893 housewives showed* 85 per cent. as purchasers, with ABC1 housewives more experimental with the non-advertised brands.

Mintel also draws attention to a development in the U.S.—fully advertised brands which are only available at named stockists. A parallel in the U.K. would be Woolworth's marketing of Macpherson paints. This kind of co-operation could grow here, along with the major retailers marketing own label non-food lines, as an increasing propor-tion of turnover and profit at Tesco and Fine Fare in particu-lar now comes from textiles, electrical goods, etc.

Farewell to Methven

BY ANTONY THORNCROFT

THERE will be widespread regret in the advertising industry at Mr. John Methven's decision to move from the Office of Fair Trading to the CBI. Mr. Methven initially caused much dismay in advertising circles by his cogent criticisms at the *1974* Advertising Association Confer-ence of the existing control system for Press advertisements, especially when he threatened to recommend statutory controls unless there was a rapid improve-ment.

To its credit the advertising industry quickly responded, and arranged a levy on advertisers *to pay for a greatly strengthened* Advertising Standards Authority and a £300,000 advertising campaign asking the public for its criticisms of existing adver-tisements. When Mr. Methven saw that the reforms were good he kept his side of the bargain and has helped to take much of the heat from advertising in the last few years.

His other major achievements have been to foster the stronger restrictions on tobacco and drink advertising. The former have been fought, in a rather short-sighted way, by the tobacco com-panies but Mr. Methven had Parliamentary and public support for his views. The changes in the drinks code hardly responded to any popular disquiet and have proved rather a hindrance to creative approaches in this sec-tor. There has also been a widely accepted tightening up in adver-tising to children and in the field of drugs.

All in all Mr. Methven has made a considerable impact in just over two years, and the advertising world will be wait-ing with some apprehension for the name of his successor. For there is a feeling that he was a reasonable man, whose personal puritanism may have put him out of step with the advertising world's wilder fancies, but still one who managed to calm the more ingrained antagonism of some of his subordinates.

OUTDOOR ADVERTISING

Posters start to sell

BY DAVID WHEELER, J. WALTER THOMPSON

FOR THE past 15 months the British outdoor advertising in-dustry has been in a state of excitement: in fact, ever since a day in Madrid in November 1974, when the stark realities of the advertising business in recession were revealed to a section of the industry which until then had been sheltered by its traditions and the customs of a business lifetime. The occasion was the coming together of the main suppliers and users of the medium at the first major con-ference of the British outdoor industry.

Although good things were said about the unique creative and marketing opportunities of posters, real concern was apparent about the practicali-ties of using the medium and disquiet expressed about some fundamental aspects of the poster business.

The main areas singled out for criticism centred around how best to meet the advertiser's need to know exactly what he had bought for his money—a re-assurance that his posters were up, in the right place, kept in good repair, were not contraven-ing the town planning bye-laws, and (so far as research in this field could tell him) that his advertising campaign was achieving good coverage of his potential customers. Advertisers were having to take on trust that these things were being properly cared for, rather than being pre-sented with documentary evi-dence that all was in order.

To their credit the poster con-tractors responded to the feeling of the delegates and before the final dinner meetings were hastily called and firm assur-ances given that action would be taken to provide the poster users with proof of the the ser-vice they were getting. Were these just fine words or did they represent a genuine determina-tion to make things happen? Only now can we begin to see an answer to that question.

A system of providing "certificates of posting" which had been allowed to lapse has been reintroduced and re-vitalised. Advertisers have now been given guarantees that pos-ters will not be placed on sites where they would contravene the "deemed consent" town plan-ning regulations. Three major sample surveys have been con-ducted by National Opinion Polls to determine the standards of upkeep of the posters which have been bought on a site by site basis while British Posters (a sales consortium of the poster *contractors who sell posters in* packages) undertakes two weekly inspection checks, again monitored by NOP. Discussions are now under way to explore how these different inspection services might be welded into a single industry service. In the area of research, British Pos-ters has this year published a new survey updating the guide-lines which are used for estimat-ing the coverage and repetition obtained by different types of poster campaigns.

Judged by any standards this is a notable list of achievements —indeed rarely do any con-ferences have anything to show for themselves 12 months later.

Two new campaigns for British Posters

In this particular case there were special difficulties to be overcome—the poster owners are divided into two camps, and each camp is traditionally jealous of its own territory. In the absence of a united voice the public relations of the con-tractor side of the business has been found wanting and very *easy prey to attack* by ready-made opportunists. But even here some progress has been made and the contractors have come together to jointly publish a regular magazine as a means of keeping their clients aware of what the medium offers and of the developments within it.

It would be wrong to suppose that concern had been confined only to the contractor side of the business. Advertising agencies who have been actively making economies in every other aspect of their businesses have been looking more closely at the cost of buying into the outdoor medium. Generally speaking it costs an agency more than twice as much to place £100,000 in posters as it does in TV or the national press. Despite this financial penalty there are few signs yet that this is affecting an agency's media recommenda-tions. In fact, posters are still enjoying something of a fashion. Nevertheless, agencies are now looking very closely at ways of improving the services of the Advertising Agency Poster Bureau—their own co-operative which handles the majority of poster placings on an agency's behalf. John Dennett (ex IPC board member) has been called in as deputy chairman to spear-head this examination, and thus help arrest some of the erosion of Poster Bureau business to the rival poster servicing companies, who have not been slow to take advantage of the present disquiet in the industry.

If the past year has been an active one for the outdoor medium 1976 is certain to be no less so. Developments are afoot to introduce a wider range of poster "packages," some aimed at specific markets such as con-fectionery; and even the top of the market super site poster companies like More O'Ferrall are looking at new ways of sell-ing their product through package deals. The distribution of posters to their sites and the question of juxtaposition (posters for rival brands appear-ing next to each other on the hoardings) are issues likely to be hotly debated.

On the one hand there is the *desire to reassure the long term* users of the medium that they are still getting the service they have always trusted in. On the other hand there is the need to maintain the recent inflow of new users to the medium—by making it flexible and easy to use for the shorter term adver-tisers. These are two different markets calling for two different approaches and if there is one change which has happened above all others since that day in Madrid it is that the poster industry is now becoming recog-nisably marketing oriented.

Advertisers return

THERE is more evidence this week that the big grocery manu-facturers are returning to major advertising campaigns after some months of retrenchment. Crosse and Blackwell is relaunching its soups with new recipes and pack-aging next month in a seven week, £300,000 TV campaign after being off the box for four years.

The agency is Greys and the advertiser intends to outspend Heinz. At the same time another client John West is to spend a record £400,000 on TV, after a year's absence, to promote its canned fish products. More news from Greys is the formation of a special Entertainment Adver-tising Division which already works for Ronco. A similar division at the U.S. parent handles advertising for Columbia, RCA and Warners.

In brief

● GEORGE Smith of Allardyce who has spent the last five years at the offices of the agency's largest client, Brentford Nylons, has returned to the agency in Soho. Smith's relationship with Brentford Nylons was unique in advertising as the account built up from £20,000 to almost £3m. and he became marketing and advertising director of a client. In the last year or so Brentford Nylons has reduced its advertis-ing expenditure to less than £1.5m., making it unprofitable for Smith to devote himself to it.

● SPD, the Unilever owned dis-tribution company which trans-*ports goods for other grocery* manufacturers, has formed a specialist frozen food company, Unicold. Initially it will concen-trate on working for SPD's big-gest client, Birds Eye, but SPD is looking for non-Unilever clients to add to its annual turn-over of £50m. plus.

● TWO market research com-panies have merged—Business *Decisions*, which is *run* by Jeremy Fowler, and Packaging and Perceptual Research, headed by David Chittenden. The new group keeps the Business De-cision name.

● ONE of the most expensive advertising commercials pro-duced by British companies is currently underway in Malta. Lintas Overseas is making a series of cinema and television commercials for Polaroid and the production bill is expected to exceed £70,000. Forty-seven people were transported to Malta where the shooting is in progress on commercials which will be shown in the Mediterranean area, Africa and the Middle East. The production company *is also from London*—Allen Stewart and Associates.

● DIAMONDS are selling so well in the jewellery departments set up in four of Alliance's cash and carrys that the company plans to put jewellery into 14 other depots. The trend is apparently towards the upper price ranges, with several rings worth over £1,000 sold and a serious inquiry for a ten-carat diamond worth £10,000.

● YOUNG AND RUBICAM and Computer Management Group have launched a new computer system called Mediator, which offers a complete low cost media service for advertising agencies, handling television and radio air-time and advertising space invoicing.

THE FINANCIAL TIMES

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THURSDAY, JANUARY 29, 1976

The indecision of Sr. Arias

THE MOST striking single fact about the Spanish government's programme of political reform, delivered yesterday to the Cortes by Sr. Carlos Arias Navarro, the Prime Minister, is its studied lack of precision. The general thrust of the speech was in the direction of liberalisation and democracy, but no pledge was given, no detail spelled out, no date fixed, which could give a plausible indication of how far the government really intends to go. On the contrary, the very vagueness of the speech suggests that the government does not have an agreed programme, and that the hard decisions have yet to be taken.

Constitution

Now it can be argued that the operation of making the transition to the post-Franco era is so delicate and so important for Spain's future political stability that fundamental decisions of a constitutional nature are not to be taken lightly. Not many weeks have passed since the departure of the man who was for nearly 40 years the only source of political authority, and it is not surprising if his immediate successors should be in some perplexity about how far they must go and how far they dare go in the direction of political change. Clearly the Prime Minister feels obliged to offer reforms; equally clearly he does not feel able to say what those reforms should be.

The government's perplexity is not purely intellectual, however. In recent weeks there has evidently been a lot of heavy argument inside the régime over what the programme should be, and what has emerged shows that the programme has been weakened in deference to the Right wing. The present session of the Cortes is being extended for 15 months; the government wanted an extension of only 12 months. Advance reports strongly suggested that the speech would refer to the idea of a referendum, as a way of endorsing constitutional change; as delivered the speech contains no such reference. As late as yesterday morning news agencies were being briefed that the programme would legalise political parties; in fact the Prime Minister spoke only of enlarging the role of the discredited "associations."

In the circumstances, therefore, it is scarcely surprising that the programme has been badly received by those in the Centre and on the Left who have been looking forward to, at the very least, some firm and clear promises of reform going beyond the tepid tolerance that marked the early months of Sr. Arias's tenure of office two years ago. What is more remarkable is that it has given little satisfaction to conservative opinion, either for talking in reformist terms at all, or for giving the impression of weakness and indecision about what these reforms should be. The absence of any allusion to a referendum implies that, at this stage at least, the government considers that it cannot by-pass the Council of the Realm and the Cortes in introducing constitutional reforms, and that its first task must be to win over those bastions of conservative and Establishment opinion.

No alternative

It may be understandable for the government to make caution and gradualism its watchwords, and to seek to bring about change through the mechanisms of existing institutions. But it cannot assume indefinitely that the Spanish people will value the slowness of reform above reform itself, nor that the established institutions will be co-operative in dismantling their entrenched privileges. In the light of the Portuguese experience, the government must be only too conscious of how difficult it is to control the pace of change. Yet sooner or later it must face the choice between pluralistic democracy and a perpetuation of Francoism: mere talk of Spanish individuality cannot disguise the fact that there is no real third alternative.

A new structure for electricity supply

YESTERDAY'S report by the Plowden Committee on the structure of the electricity supply industry points out that there is is no such thing as an ideal structure for this or any other industry; "almost every possible structure can be found somewhere in the world, usually working reasonably well." It follows that if an existing structure is working satisfactorily, one should be wary about tampering with it for the sake of administrative tidiness; the expected gains in efficiency can be more than offset by the management turmoil involved. The Plowden Committee has proposed the creation of a new Central Electricity Board to take over the responsibilities of the Electricity Council, the Central Electricity Generating Board and the 12 Area Boards. This is a radical change; before accepting it, the Government must satisfy itself that the weaknesses in the existing structure are serious enough to justify such an upheaval and that the new structure will achieve a genuine improvement in efficiency and in service to the consumer.

Persuasion

The flaw in the present structure, the Committee believes, is the lack of central direction. It is certainly true that the Electricity Council does not have the power to direct either the CEGB or the Area Boards. It was set up as a forum in which the generating and distributing sides of the industry could resolve their common problems under independent guidance; it can persuade but not compel. The consequence, according to the Committee, is that decisions on common policies for the industry as a whole are reached "slowly and at the price of great effort; the result is a tendency for the industry to react to events rather than take the initiative."

It is not apparent from the report what serious damage has been caused as a result of these cumbersome decision-making processes. There have been difficulties over the preparation of demand forecasts; the Council, the CEGB and the Area Boards prepare their own figures and the final outcome is a compromise between them. Electricity supply is said to be behind other nationalised industries in corporate planning. This is attributed by the Committee in part to the industry's federal structure, though the difficulty of agreeing price assumptions and financial objectives with the Government have also been important factors.

Compromise

Even if it is accepted that the Electricity Council should be strengthened and its functions merged with those of the CEGB, it does not follow that the statutory independence of the Area Boards must also be abolished. Stronger central direction on strategic issues is not necessarily incompatible with maximum independence for the operating units. Various compromise suggestions were put to the Committee, including Mr. Arthur Palmer's proposal for reorganising the Area Boards into five large distribution undertakings which would jointly own the generating company and would be supervised by an Electricity Commission. These proposals are dismissed rather summarily in the Committee's report.

It is perfectly true that the problem of reconciling central direction with local autonomy is not unique to electricity supply and has been satisfactorily solved in other large organisations. But the Committee itself admits, referring to the Area Boards, that the same commitment can be obtained if the Boards become divisions subject to greater control from the centre. Certainly the organisation which the Committee proposes can be made to work, but the alternatives merit the fullest public debate before a final decision is made.

Roy Hodson examines yesterday's Plowden Committee report on electricity industry reorganisation

More power to electricity's policy makers

ALL the weight of the report by Lord Plowden's committee on the structure of the electricity supply industry in England and Wales* is towards a more centralised structure for the industry, with one body (to be called the Central Electricity Board) replacing the present federal organisation. At present, the Electricity Council has overall responsibility for policy, the Central Electricity Generating Board employs net assets of £3.5bn. (nearly 60 per cent. of the industry's total net assets) to generate electricity and deliver it round the country in bulk, and the 12 area boards, responsible for distribution and sales to consumers, all have a measure of independence typified by their statutory chairmen appointed by the Energy Secretary.

The biggest question mark over the proposed change must be whether putting all electricity generation and distribution in England and Wales under a single body would make the industry too remote from its customers. This is especially relevant at a time when a recurring theme in British society is the difficulties individuals face in dealings with nation-wide institutions and services.

The report itself is not short of warnings of the danger of alienating the consumer. "Unlike the Government, employees, suppliers or other people with a stake in the (electricity) industry, consumers have no power individually and no existing collective organisation. Of all groups they are the one most in need of protection against the abuse of monopoly power," it declares.

New body urged

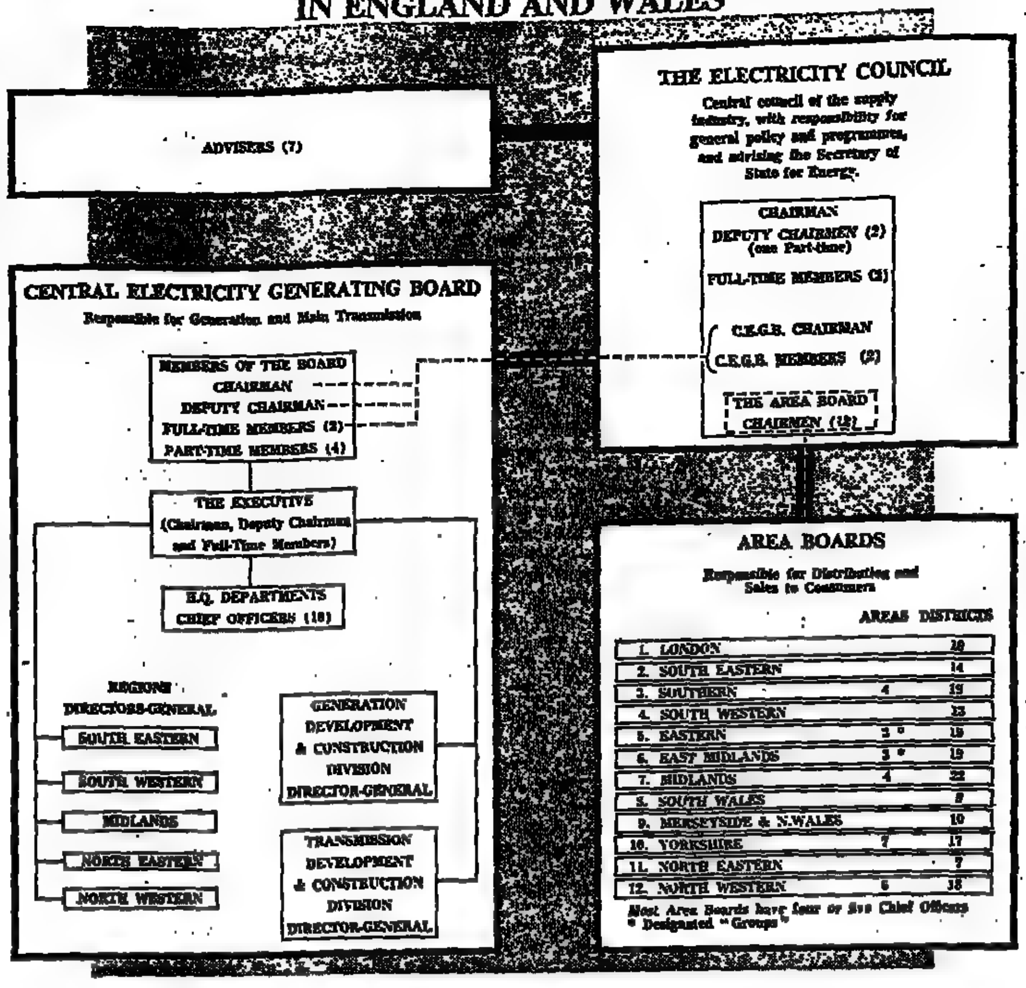
To meet this, the report urges the establishment of a body able to speak with authority on behalf of all consumers and assist them with individual complaints against the industry. No such organisation, says the committee, can be effective unless it is adapted to the industry's own management structure. So to achieve adequate consumer representation at national and local level—both can be equally important depending upon the complaint involved—the committee proposes a statutory National Electricity Consultative Council to work alongside the existing electricity consultative councils, which would be renamed Area Electricity Consultative Councils.

The present system of consumer representation's lack of a central staff is seen by Plowden as a weakness. For the new Consultative Council the report therefore proposes a professional staff to act as a secretariat and as a central point of contact for Government departments, journalists, and the public, to give national publicity to matters of concern to electricity consumers, and to provide detailed background information for the NECC.

If the Government eventually decides that these and other proposals provide satisfactory consumer safeguards, a general reform of the industry on the Plowden lines is likely. The main reason for change, according to the report, is not to secure any drastic improvement in efficiency (indeed the report emphasises that the industry is already doing its job efficiently) but to achieve faster and more satisfactory policy-making in the future.

At present, Plowden claims, the structure causes slow and cumbersome central policy-making stemming from divided responsibilities and a rigid statutory framework. Those who devised the present structure are said to have under-estimated both the areas in which the industry would need to agree on a single policy, and the extent to which the divergent interests of individual boards would impede that agreement. "In many of its dealings with other bodies, and particularly with Government, the industry finds it difficult to speak with a single voice. The Department of Energy, in evidence to the committee, left no doubt that one considered and consistent view from the industry would be much appreciated," the report adds.

ORGANISATION OF THE ELECTRICITY SUPPLY INDUSTRY IN ENGLAND AND WALES



THE PROPOSED CENTRAL ELECTRICITY BOARD

SHAPE

About 12 members. A Board small enough to be cohesive and to provide strong leadership, with a *full-time chairman, four full-time members*, the chairman of a proposed National Electricity Consultative Council, and six part-time members.

The full-time members should work together as a *"collective executive"* and should not have individual responsibilities.

ORGANISATION

The Board should have separate central generation and distribution departments to provide unified executive control of both activities. *Distribution units should be responsible for the* industry's interest in heat-and-power schemes and also for installing small generation plant for handling peak loads.

FUNCTIONS

The industry's organisation *should be of a commercial type equipped to take its own decisions* and manage the industry on a sound financial basis.

The industry's responsibilities for providing an efficient and economic electricity supply should *be broadened* to take into account the importance of energy conservation.

The CEB should have powers to initiate heat-and power schemes, including heat that is not the by-product of electricity generation.

The approval of the Secretary for Energy should be required for major organisational changes.

The question of relations between Government and the industry revolves around personalities as much as hierarchies. There are managers who would tend to bend a federal system into a unified one. Others might allow a unified system to spread itself thinly across the country with federalism taking over.

Electricity has had a series of strong pairs of managers—the respective chairmen of the Electricity Council and the CEGB. Each year they have stood shoulder to shoulder to report on the progress of the industry at joint Press conferences. Always an impressive, and sometimes an entertaining double act, it has been a standard example of duplication at the top. The present incumbents, Sir Peter Menzies, chairman of the Electricity Council, and Mr. Arthur Hawkins, chairman of the CEGB, have continued the tradition of two strong men. Undoubtedly the past two Energy Secretaries would have preferred to have been dealing with just one man at the top.

The industry is by no means unprepared for a unified structure. Such a system was nearly brought in by the Labour Government in 1969 following an internal inquiry ordered by Mr. Roy Mason, the then Minister of Fuel and Power.

Governs the industry

But electricity has been vacillating between a federal structure and a centralised one since Vesting Day in 1947. Under Lord Citrine, the first chairman there were strong area boards. By the early 1950s, a greater degree of central authority had been imposed. The Herbert Committee which examined the structure of the industry in 1954-55 decided that the top management was overloaded with executive responsibility. Out of that came the 1957 Act which still governs the industry. This established the federal structure which has continued without change until now. In recent years, however, there has been a growing feeling inside the industry that federalism may have been going too far for the good management of affairs.

In terms of manpower, Plowden's implementation would have little impact. Fewer than 300 management personnel would be affected and it would be, for them, more a question of changes in status and responsibilities than redundancy. For though the committee recommends a single unified Board of about 12 members as best able to adopt a single strategy integrating all aspects of the industry, executive posts would continue much as now.

On prices, Plowden wants the Central Electricity Board to bring tariffs (at present set by area Boards), under firmer central control than at present exists. But it is against uniform national tariffs. There is a strong case, it argues, for local tariffs to reflect the different costs of supplying electricity to the various parts of the country.

So there would still be area authorities, like the present area boards but re-designated operating units though covering the same geographical regions as now. They would have less independence than the area boards, no longer being run by statutory chairmen. Their chief executives, it is proposed, should be given wide freedom to manage their businesses according to local needs while remaining under central financial control from the national authority.

Controversial section

The section of the report likely to cause most controversy at official level is that in which it rejects the TUC call for the appointment of trade union-based worker directors. The TUC wanted the electricity industry governed by a board composed of equal numbers of trade union and Government-appointed representatives. The trade union appointees would report back to the five national consortia of unions which negotiate with the Electricity Council. But the committee concluded that, if the CEB were to consist half of union appointees, there would be "no meaningful collective responsibility or public accountability to the Secretary of State and to Parliament," and added that good management would be impossible. It recommended that in any move to bring employee directors on to the Board the initiative must come from within the industry and be supported by both management and employees.

The strongly-held Whitehall view is that the Government is already convinced of the need for a radical extension of "industrial democracy" in both the private and the public sectors of industry. That is being shown by the establishment of the Bullock committee to examine industrial democracy in the private sector. Furthermore the Government intends the issues involved to be fully explored in the review of the nationalised industries which has begun.

So that is one area of the Plowden report which will be coolly received by ministers. There may be other stumbling blocks. But underlining all considerations of the recommendations will be the fact that the electricity industry itself believes that Plowden—or something like it—is necessary for its continued good health.

* *The Structure of the Electricity Supply Industry in England and Wales. Report of the Committee of Inquiry, Cmnd. 6388. HMSO, 95p.*

MEN AND MATTERS

Questions of qualification

When shareholders in sugar refiners Manbre and Garton receive their copy of the annual report in the next few days they should not worry unduly. True they will find that the auditors have qualified the accounts—but for once it is a situation of auditors complaining about over-caution on the part of the Board.

The situation is bizarre to say the least, and revolves round the complicated question of how to compute earnings per share in a year when the company has had a rights issue. The Institute of Chartered Accountants in England and Wales recommends that EPS should be calculated on the basis of a weighted average of shares in issue during the year. This is the system adopted by most analysts since it is unfair to expect a company to reflect the full earning power of money raised towards the end of a financial year in its figures for the whole of that year.

However Frank Smith, ex-Warburgs, former chairman of St. Martin's Property, currently Manbre chairman, and in his day one of the most feared merchant bankers in the corporate finance area, feels that the earnings per share calculation should look forward rather than backward, that the relevant calculation on EPS should be done on the issued share capital at the year end, and has insisted it appears that way in the accounts.

The difference between the weighted average calculation and the end-year calculation is something more than 13 per cent. apparently in the case of Manbre and Garton—so for existing and potential shareholders the disagreement is less than academic. Equally interesting however is whether the joint auditors, Callingham Crane and Co. and Turquands Barton Mayhew and Co. took the right attitude in putting a qualification on the accounts.

The crucial document in this situation is the accountants' "Statement of Standard Accounting Practice No. 3 (Revised August 1974)." This issue is binding on Institute members as far as the main body of the document is concerned, but the advice relating to the treatment of rights issues appears in an appendix. At the top of this appendix is clearly stated, "This appendix is for general guidance and does not form part of the Statement of Standard Accounting Practice."

"I said that would make all the difference!"

Expertise

The Post Office (Banking Services) Bill, having got through its second reading, starts in Committee stage this morning. It goes to Committee "B" of the House Standing Committees and falls under the scrutiny therefore of 17 MPs—nine of whom are Labour, seven Conservative and Douglas Crawford, a lonely Scottish Nationalist.

The Bill relates to the Giro and is aimed at getting through a capital reconstruction which will allow it the chance to become a viable financial prospect. In terms of reconstruction the Opposition might just have the upper hand: Anthony Nelson, Conservative MP for Chichester, is a Slater Walker man, while Tim Renton is ex-Vavasseur, and Peter Viggers comes from the Edward Bates stable.

The only professional batting for the Government is Ian Wrigglesworth, who was "Press and Public Affairs Manager of National Giro" before winning Teesside, Thornaby in the 1974 election, and he left before the Giro reconstruction came up.

Find your jobber

"Hong Kong Trams. Med. 5E White 4A PD 18D." Strictly an entry for the initiated in a booklet that bears the less-than-ringing title of the Industrial Jobbers Index. But what was long ago christened "squirts' guide" by the nickname-happy stock market has its intriguing aspects.

For a start it is in no sense an official publication by the Stock Exchange authorities or even jobbers and/or brokers working together. A guide to which jobbers deal in particular stocks, it is the sole responsibility at present of 35-year-old Jeremy Lewis, who is with the firm of Seymour Pierce and is probably the only stockbroker who lives on a houseboat. That little mark of eccentricity maybe gives a clue as to why he should devote a fair number of evenings and week-ends to the updating of the index, earning from it what he terms "pocket money." The 1976 edition is at the printers now, and at £2.75 a time, should sell up to 900 copies.

As Lewis says, "things got a bit behind" last year, and devotees have had to make do with the 1974 issue. Lewis took the task over about six years ago, having noticed an 18-month gap in the till then regular appearance of the guide. He was helped at first by the previous publisher, a broker named Gerry Connolly.

Lewis is not quite sure how the guide started, though Connolly appears to have begun keeping a list of who-jobbed-in-what for his own benefit, eventually realising its potential for a wider audience. The jobbers of a few years ago were clearly a rather imperious lot and presumably lent the index its unlovely nick-name out of a low regard for those dealers who needed to resort to such aid.

It has gained importance over the years and Lewis says that compiling the 4,000 entries is "a lot of hard slog," though he aims to go on doing it. As for my random quote, I hope I read the guide right by saying Hong Kong Tram shares are dealt in by jobbers Medwin and Lowry, White and Cheesmann, and Pinchin Denny. The cryptic numbers and letters give the pitch location on the market trading floor.

Alternatives?

"Anyone found pilfering without paying will be prosecuted" runs a warning notice in a City newsagents.

Observer

هكذا في الأصل

CONOMIC VIEWPOINT

BY SAMUEL BRITTAN

The Catch 22 pay policy dilemma

Prime Minister, Chancellor ne inner economic Cabinet an interesting Catch 22 ma. If they refuse the ng TUC clamour to ise demand to com-memployment they risk union support for 2 of the Incomes . At the very least they nlikely to obtain endorse- for the much lower norm er cent., or £3 (plus frills), the Chancellor so badly when the present £6 pay expires next August.

the other hand, if Mr. Healey does administer emand stimulus for which UC is clamouring, he may another concordat with Jack Jones, with a norm to his liking; but the value y such paper agreement be destroyed as the extra tary demand works its way gh the economy and — a temporary effect on jobs arts to push up costs and s.

the Chancellor goes even ction of the way towards g on the TUC calculation an 8.6 per cent. growth (achieved presumably gh increased spending) l get the statistical un-oyment total down to 00 by 1978, he can say oye to the most modest of nti-inflation objectives.

doubt Ministers can pre-ate by means of a few investment incentives, creation schemes," tem-y employment incentives, ining grants and similar ures. I do not sneer at measures in the way that become customary. They a mixture of sensible les, which may have a long effect in improving the ency of the labour market, humanitarian moves to slow down industrial change during a recession, and positively harmful devices designed to massage the statistics.

But good, bad or indifferent, they come up against their own Catch 22. Either they will be too small to have much impact on unemployment on the time scale which interests the TUC; or they will add up to a large addition to the public sector borrowing requirement and increase the risks that this will *be financed in an inflationary way* in the course of the next financial year.

Objectives

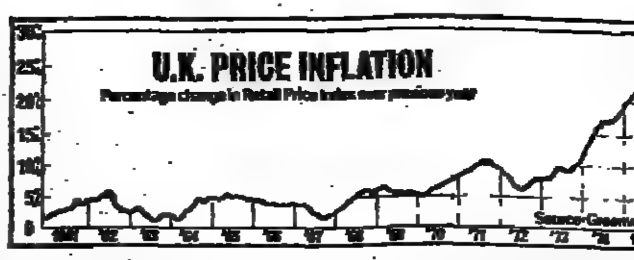
In view of the overwhelming evidence that the longer term movement of prices depends almost entirely on the course of monetary demand—and that the most draconian wage and price controls will do no good if monetary demand is rising too quickly—the dilemma is a bit of a bogus one. The Chancellor would do best to stick to his fiscal and monetary objectives. Let him by all means ask em-*ployers to postpone* redundancies whenever they can, until after the unemployment trend has been reversed and take any other possible gestures to alleviate suffering but refrain from stimulating demand.

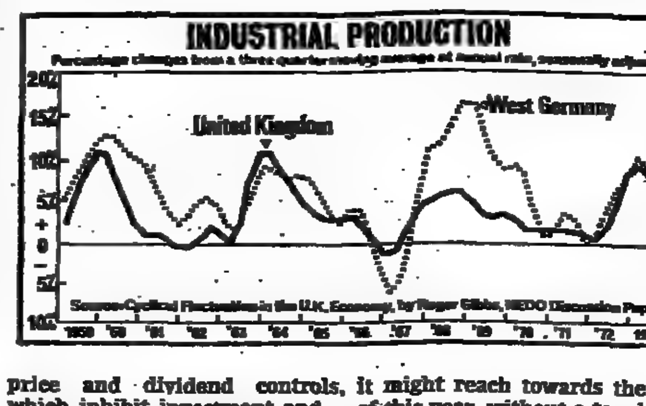
If this means losing the incomes policy, this is, in my view, a bonus not a drawback. I fear, alas, that the TUC either lacks the courage, or is too much enamoured of the sense of power from Downing Street talks, to drop the notion of a deal altogether, but will simply argue more stiffly over increasingly meaningless guidelines.

The initial phase of an *incomes policy* is nearly always a deceptive success. This is because a freeze, or £6 ceiling, or something similar, is equally unfair to everyone. But relativities cannot be frozen indefinitely; and as soon as different groups begin to obtain different amounts, the hoped-for norm or average begins to melt away. One way of putting the point is to say that the accumulation of anomalies and rigidities destroys every incomes policy. In other words, neither a uniform amount of percentage, nor some centrally agreed pattern of wage increases, can be maintained against the pull of market forces operating differently in different industries, or against the push of rival union monopolies jostling for relative position. There is no need to predict a sudden breakdown or explosion, especially as demand for labour is likely still to be weak in early autumn; a gradual disintegration is much the more likely course.

Nor is there any reason to mourn the prospect. The more sophisticated case for an incomes policy is that it reduces the unemployment cost of a restrictive monetary policy. A horse laugh is probably the most appropriate response in view of what has actually happened to jobs. The uniform £6 *sum has directly priced out* of work some of the less skilled or lower paid who might otherwise have settled for less. Numerous cases—including the whole public sector—of the £6 becoming a minimum as well as a maximum come to one's attention.

Even more important, Government policies adopted to buy union support for incomes policy are employment-destroy-*ing. The most glaring are the* price and dividend controls, which inhibit investment and—like the pay controls themselves—create shortages in some areas and surpluses in others. Worst of all, intensified rent controls and subsidies discourage people from moving to jobs by creating valuable non-transferable assets in particular locations.





We should have had enough experience to realise that these are not remediable defects of particular incomes policies which another Government could avoid. They are the price of the acquiescence of Mr. Jack Jones, or whoever else is making the TUC running.

Even so, we have not yet resolved the Catch 22 dilemma. For the question I have still to answer is: How can you make further progress from the 13-14 per cent. rate to which inflation has now been brought down, and the *10 per cent.* rate which it might reach towards the end of this year, without a tough pay norm to follow the £6 limit? The Chancellor has limited himself to saying he wants the rate of inflation to reach the average of our main competitors — a distinctly odd objective under a regime of even managed floating rates. But most people interpret him to mean that we must aim for low single figures—say 5-6 per cent.—hoping that this will be a step on the way to price *stability.*

The rate of price increases might well drop to these levels for a few odd months. I would not even rule out a month or two in which the Retail Price Index actually fell absolutely; but over a period long enough to matter, there is almost no chance of reducing inflation to such very low levels, with or without an incomes policy.

To be more precise: there is no chance *of doing so on the* present economic outlook, which is for a gradual business recovery leading to an upturn in the demand for labour, visible in the unemployment figures any time from next autumn onwards. The only way to stabilise the inflation rate at much less than 10 per cent. would be to take deliberate measures to intensify and prolong the recession.

Money supply

The decline in the money supply in the past couple of months can, for the moment, be regarded as an erratic fluctuation. But if we went on for many months longer without a return to something like a 10 per cent. growth rate in the monetary totals, an intensification of the recession, or a second stage one in 1977, would become very likely. The most likely result of such a course would be such a panicky "reflation" before the next election, and such intense overheating afterwards as to drive the inflation rate to Alpine heights which would make the recent 1975 peak seem like a bump on the Chiltern Hills.

Price stability itself is a relatively minor virtue. The real harm is done by sudden and unexpected changes in the inflation rate, *to which the economy* cannot quickly adapt, and which are unfair to people who made financial arrangements in a previous period. Before anyone writes a shocked letter to me on the subject, he should ask himself how a world in which prices have been rising by a steady 10 per cent. per annum within living memory, and are expected to carry on doing so, differs from one of price *stability.*

AVERAGE ANNUAL PRICE INCREASE

(per cent., at compound rate)

1938-1975	5.8
1948-1975	5.6
1954-1964	3.1
1963-1973	5.6
1965-1975	8.7
1968-1973	7.5
1970-1975	13.0

Source: Retail Price Index, or nearest equivalent, Economic Trends, L.C.E.S.

The economy was most certainly not adapted to the inflation rate of 25-30 per cent. reached last summer, as can be seen from the fact that adaptation would have required a mortgage rate of over 25 per cent., although perhaps with different repayment arrangements. But a glance at the table would suggest that the economy must by now have had time to adapt to an inflation rate a good deal higher than zero.

Over a period of nearly 40 years since just before World War II, the average inflation rate has been just under 6 per cent.; and it is only as low as that because of the inclusion of the low inflation decade of 1954-64. Over the last ten years the inflation rate has averaged nearly 9 per cent. and over the last five, some 13 per cent. Even if we omit the highly inflationary years of 1974 and 1975, the average over the previous five years was 7½ per cent. Is it too fanciful to suggest that a rate close to double figures has become built into our institutions, asset prices and yields; and that the fall to something very much lower would be difficult without a real depression?

The only thing heretical about the above sentiments is in my uttering them rather than merely thinking them. It will be difficult enough to hold inflation at an average of 10 per cent. and to prevent it from rising out of control from one cycle to the next. The inflation rate will still have to dip below 10 per cent. at its low point in the current cycle just to offset the higher rates of price increases, which accompany the later stages of every upturn.

Even the modest objectives set out here leave no room for giving demand a deliberate boost now or later. They do not allow for any transgression of the ceilings of a £12bn. public sector borrowing requirement and 14 per cent. growth of the money supply *implied* in the Letter of Application to the IMF. These are very much upper limits. They should be compatible with resumption of normal economic growth, as the world economy recovers and as wages here respond to market forces.

Contrary to popular belief, investment in the U.K. has not suffered from severe economic fluctuations or stop-go policies. *A new NEDO study has shown* that such fluctuations were less severe in the U.K. than in most other countries. What went wrong must be ascribed either to a peculiar British reaction to such fluctuations as did take place, or to other forces.

Thus, a good deal of frenetic current activity consists of attempting to roll stones uphill, either to shift wages in opposition to underlying economic or social forces, or to reverse the normal timing of investment in the economic cycle. But I had better stop before someone accuses me of wishing to create technological unemployment *among our rulers.*

Letters to the Editor

n informed ation

Mr. N. Stacey.

—How industry works or ibutes its wares; how money lates and becomes wages, s, taxes, child allowances, ge benefits or stocks of s for sale, are facts of which ns of a country employing 24m. workers should be ly aware. Apart from a scule number of people, such ers are incomprehensible to silent, or not so silent, rity. This should be con-ed intolerable ignorance in ciety which lives by its in-rial (in the widest sense) ut and whose competitive-determines living standards. the time young adults out chool start their first jobs, een 16 and 18 years, it is st too late to inform them of the elementary facts of ness life as they have ned nothing about it at ol; even those who obtain her education rarely have a ce to learn because elemen-s about the organisation of stry or the circulation of ey are esoteric subjects for ialists.

understand how the modern hangs together, the produc-distribution and exchange tions must be broadly un-ood by all who, in whatever will earn an income. Would erefore not be desirable for school children to receive ten hours of instruction on subjects in their school-ng year? Even such limited sure to the anatomy of the strial/commercial world we in would help to cure in due the almost total financial/ ness illiteracy now extant ng adults of all ages and in occupations. Of course it not be easy to find the ers with the necessary edu-nal background to teach subjects.

ould we not, therefore, in-a short course on aspects usiness in their curriculum? all, if the battle of Water-as won on the playing fields ton, the survival of Britain industrial nation will be ed in the secondary schools. hundred years after the in-ial revolution everybody is ed to know the basic work-f the system which enables earn a living.

las A. H. Stacey.
m Club, Pall Mall, S.W.1.

ommunity and Act effects

Mr. K. Hanson.

—I wonder how long, if it will be before Planning ter John Silkin realises his Community Land Act ust not work and will have the way of the Socialists, ous attempts to claw back development value in land e benefit of the State.

living in the cloud-cuckoo of the Socialists' dogmatic policies, but simply being a ered surveyor in private ce who has the practical ems to deal with, let me again warn the Minister what is happening and what happen, particularly to ntial building land.

ny owners even where they planning approvals are ng to sell because of the nomical tax liability they be involved in and in any the Tories are pledged to the legislation (back to nd 1967). There may be a flurry of activity before April when the tax liability, ssible, gets even worse. who own land are not sub-g planning applications for f nationalisation of their land and in any event there is no point when, for the privilege they will be required to pay 80 per cent. of the development value with a threat of this being increased to 100 per cent. Consequently, less and less land will become available, fewer and fewer houses will be built and more and more damage done to the building construction industry.

Fortunately or unfortunately according to which way we look *at it, because of the necessity for* stringent cuts in local authority expenditure added to which is the time consuming procedure for local authorities to acquire land, the councils themselves are going to find that they too have a shortage, thus destroying the Government's own home building programme.

This is precisely what is happening on the ground and not in the airy-fairy world of theory.

Kenneth E. Hanson,
Dacre, Son and Hartley.
Station Road, Otley, West Yorks.

Direct labour savings

From the chairman, Greater London Council, Housing Development Committee.

Sir,—Mr. Malcolm Hoppe, Head of Research "Aims for Freedom and Enterprise" (January 26) is, like so many of the GLC's critics, wide of the mark when he expresses doubts about the GLC's ability to operate its direct labour organisation in competition with private building firms. He asks, and fails to answer, the question of whether local authorities are capable of undertaking commercial ventures. It is a pity he did not ask the GLC in the first place.

In 1975 the GLC's direct labour organisation operating under strict financial controls and competing directly with private enterprise for one-third of its contracts, completed 1,157 new dwellings, 648 modernisations and conversions, and undertook the bulk of the Council's housing maintenance operations. A recent audit check on the comparative costs of maintenance work showed that if the Council did not have a direct labour force and had to employ contractors to do all its maintenance, then the additional cost to the Council's housing revenue account would be about £8m. Direct labour has also performed the invaluable service of taking over from private contractors who have gone bankrupt or left the job. On one such job alone in north London, it is estimated that more than £1m. has been saved in this way.

Is it not time that Mr. Hoppe acknowledged the benefits of direct labour operations and, in particular, the GLC's experience in this field? Is he not aware that the GLC is taking steps to improve the accounting procedures for its direct labour organisation? Is Mr. Hoppe incapable of making a more constructive contribution to the *public debate on* municipal enterprise than to make a facile comparison between London and the very different circumstances attending the problems experienced by Newcastle Direct Labour Department? Or could it be that Mr. Hoppe really cannot accept the challenge of competition?

Richard A. Balfe,
The County Hall, S.E.1.

Challenge to competition

From The Director, The Federation of Civil Engineering Contractors.

Sir,—I was appalled to read the statement (January 21) by Mr. Richard Balfe, chairman of the GLC Housing Development Committee implying an unwillingness on the part of contractors to "accept the challenge of competition" from local authority direct labour departments. The position is, in fact, the precise reverse of this.

This Federation, on behalf of the civil engineering contracting industry, has for at least 20 years been pressing for contractors to be given the oppor-*tunity to compete with direct* labour on a fair and equal basis. While we have had some success with this, it remains the case that a number of local authorities are still giving major road building and other projects to their own works departments, without allowing outside contractors any opportunity at all to submit competitive tenders.

If Mr. Balfe, and the other exponents of municipal enterprise, are serious in their desire to compete, and if they will produce proper and separate accounts to demonstrate to their ratepayers the true cost of their direct labour activities, they will find that contractors are more than ready to accept the challenge.

Until *such effective competition* procedures are put into force, there should clearly be no question of Parliament allowing the greater scope for direct labour activities envisaged in the present GLC and West Midlands Private Bills.

D. V. Gaulter.
Romney House,
Tufton Street, S.W.1.

New private hospitals

From Mr. B. Reed

Sir,—I was pleased that Dr. Robb (January 27) drew attention to the excellent work he and his staff perform in advising developers of private hospitals.

This role, however, is advisory and the Independent Hospitals Group has no power to prevent the creation of overcapacity. I do not believe that Dr. Robb would claim there is a need for every one of the 100 schemes for additional private beds which are now planned. Consequently, competing schemes as in this part of Surrey are now under way.

There is a national need for examination of the amount of resources now being directed into the construction of private hospitals.

Bernard Reed,
Melverley,
The Warren,
Ashstead, Surrey.

Conveyancing costs

From Mr. P. White.

Sir,—My limited experience in conveyancing costs on the Continent *does not support Mr.* Lancaster's view (January 23) that they are substantially higher than in this country. I have, however, had a rather extensive experience of conveyancing costs in British Columbia and I can assure Mr. Lancaster and others that the costs there are very much less than those incurred here.

British Columbia has a modified (and improved) form of the Torrens system of title registration. It is simple to understand and use and security of title is, in effect, guaranteed by the Government, although claims are very rare. One reason why the costs are low is that conveyancing is not the monopoly of the legal *profession. Notaries public,* who are not qualified lawyers, are able to do the work required —and with a little instruction and encouragement I am sure many people could act for themselves.

Perhaps I should add that the only form of title insurance which is to be found in British Columbia is that provided by the Government and the kind referred to by Mr. Lancaster is not used because there is no risk to be insured against.

It is natural to ask why such an excellent system has not been *adopted in other jurisdictions.* There are several factors, but an important reason has been the vigorous opposition of the legal profession defending its monopoly and in many parts of North America it has received the powerful support of the title insurance companies who would become superfluous if the British Columbia system were to be introduced.

Unfortunately, there are technical aspects to this question which make it easy for those with a vested interest in the status quo to over-ride unorganised public opinion, but in my view the English conveyancing system is a particularly apt illustration of the definition of the profession as a conspiracy *against the public.*

Philip H. White.
Claridge Investments.
23, Upper Brook Street, W.1.

In support of the open fire

From The Director Coal Research Establishment Laboratories.

Sir,—Your recent correspondence on the subject of the efficient and effective use of solid fuel heating prompts me to write in support of the open fire.

Ventilation without draughts is an essential part of a comfortable room. The chimney attached to a solid fuel appliance provides this air extraction if properly constructed and used. For users of simple open fires, a throat restrictor fitted to the fire reduces the air drawn up the chimney and increases the effective house heating efficiency by some 10 per cent. The brick-*work of the chimney acts as a* storage heater which gives a bonus of heat when burning solid fuel. Further the high radiant heat output from a simple open fire, which is so attractive to the user, enables comfortable conditions to be achieved at lower room air temperatures and hence with lower heat losses from the house.

Open fires are readily available which provide central heating and hot water from a large *boiler integral with the fire,* as well as direct room heating. House-heating efficiencies obtained from the best of these types of installation are above 70 per cent.

This approaches the perform-*ance which can be obtained from* glass fronted roomheaters supplying room heating, central heating and domestic hot water at house-heating efficiencies of 75 per cent. to 80 per cent.

A. D. Dainton,
CRE Laboratories,
Stoke Orchard, Cheltenham, Glos.

Engineering unions

From Mr. T. Lambe

Sir,—No doubt Mr. Davison (January 22) will agree that, in a closed shop situation members of the Association of Scientific, *Technical and Managerial Staffs* who might be chartered engineers would have a first duty to follow their code of conduct and safeguard the public interest in matters of safety, health and otherwise.

T. T. Lambe.
143a, Ashley Gardens,
Thirleby Road, S.W.1.

To-day's Events

GENERAL

House of Commons debates employment, following a call last week by MPs for an emergency debate after publication of latest unemployment figures.

U.S. and Soviet Union continue resumed Strategic Arms Limitation Talks (SALT), Geneva.

Mr. Yitzhak Rabin, Israeli Prime Minister, continues visit to U.S.

French Foreign Minister on six-day visit to Brazil.

Sir Campbell Adamson, CBI director-general, speaks at Central London Export Club lunch, Londoner Hotel, W.1.

Report expected of inspectors appointed by Department of Trade into collapse of London *and County Securities Group.*

Financial Times two-day conference on Counter Inflation Policy ends, Royal Lancaster Hotel, W.2.

Mr. Roy Hattersley, Minister of State, Foreign Affairs, addresses meeting of Ealing North Labour Party, Greenford, Middlesex.

Sir Richard Marsh, chairman, British Rail, gives 1976 Convocation Lecture, City University, E.C.1.

Sir Lindsay Ring, Lord Mayor of London, attends Pattenmakers' Company dinner, Mansion House, E.C.4.

PARLIAMENTARY BUSINESS

House of Commons: Debate on employment.

House of Lords: Trustee Savings Bank Bill and Insolvency Bill, third readings. Education (School Leaving Dates) Bill, report stage. Solicitors (Scotland) Bill, second reading. Fatal Accidents and Sudden Deaths Inquiry (Scotland) Bill, and Divorce (Scotland) Bill, third readings. Rating (Caravan Sites) Bill, committee. Debate on 32nd report of EEC Committee on Technological Problems of Nuclear Safety.

OFFICIAL STATISTICS

Energy trends.
Housing starts, completions and renovation grants (December—provisional).
Slum clearance (fourth quarter—provisional).

COMPANY RESULTS

British Sugar Corporation (full year).
Gestetner Holdings (full year).

COMPANY MEETINGS

Brockhouse (J.), West Bromwich, 12.
North Midland Construction, Nottingham, 12.
Ranks Hovis McDougall, Royal Festival Hall, S.E., 12.
Whessoe, St. Ermin's Hotel, S.W., 12.

COMPANY NEWS + COMMENT

Second half loss by Dunford & Elliott

A LOSS of £2.41m. was incurred by Dunford and Elliott in the second half of 1974-75, leaving a deficit for the year ended September 27, 1975, of £1.21m. For the previous 61 weeks a profit of £2.09m. was recorded.

At the interim stage the directors reported that a fall off in demand for rolled steel products was to some extent being counteracted by a high level of activity in the heavy forging and engineering sections, but they warned that a significant reduction in second-half profit could not be avoided.

Members are now told that the foreshadowed fall-off in demand proved even more serious than expected and resulted in severe losses for some months. The group also suffered commissioning expenses and disruptive effect of introducing new steelmaking facilities at Brown Bayley during the year.

Those adverse factors have detracted from the continued steady performance from Dunford Hadfields. Other encouraging features have been a record profit from the engineering group, which operated for most of the year with a substantial order load, particularly from abroad.

In the steel group current operating performance has shown an improvement and although order levels remain depressed, "there are encouraging signs that the worst is over." It is not clear how soon former levels of profitability will be restored but they expect that 1975-76 will show a "marked improvement" over the results now announced.

The modernisation programme at Brown Bayley, which is now virtually complete, will enable the group to take full advantage of the anticipated upturn in demand. The engineering group and overseas subsidiaries have started the year well and should again make a significant contribution to group profits.

The final dividend is being reduced from 2.72p to 0.5p net for a total down from 4.47p to 2.25p. The recent alteration in Treasury regulations will enable the dividend to be restored in the current year which it is fully intended to do providing trading conditions permit.

	Year 1974-75	61 weeks 1973-74
Turnover	56,234	48,280
Steel	46,419	39,731
Engineering	10,317	8,638
Trading profit	1,070	[illegible]
Steel	613	3,403
Engineering	443	*157
Dvs. & int. receivable	464	672
Interest payable	2,748	1,992
Before tax loss	1,209	†2,086
Tax credit	232	‡357
Net deficit	976	†1,829
Extraordinary credits	389	§743
Loss attributable	587	¶786
Dividends	238	466

* Loss. † Profit. ‡ Charge. § Surplus. ¶ Debits.

Group results for 1974/75 exclude T. W. Johnson and Co., which has been sold. Group figures are not comparable with those for 1973/74 which covered 61 weeks but included results of Brown Bayley Steels and its subsidiaries from December 18, 1973 only, the date of acquisition.

Since the year end, as a result of the increase in Stock Market prices the opportunity has been taken to realise the remainder of Ordinary holdings in Johnson and Firth Brown and Woodhouse and Rixson (Holdings) for £2.1m. These changes have enabled the part release of a provision made last year against the market value of investments and this is included in Extraordinary Items.

Present unused bank facilities and remaining quoted investments, together total over £6m., no further capital expenditure schemes are planned for the time being, the directors state.

Meeting Savoy Hotel, March 24, 12 noon.

● **comment**

Dunford lost £2.4m. before tax in the second half of 1974-75, and losses, including ACT, of just under £1m. go into the balance sheet—against borrowings currently of some £25m. and September 1974 tangible shareholders' funds of £14.2m. The year's dividend has been halved at the net level, and at 47p the shares are now a quarter below their peak, yielding 7.4 per cent. But Dunford expects a marked recovery in profits this year—integration costs at the new Brown Bailey plant were part of the explanation for 1974-75's setback—while bank facilities still cover borrowings with £5m. to spare. Overall, demand for steel remains very weak. This year's first-quarter volume was lower but Dunford is hopeful that some sort of a turning-point will have arrived by April.

Statement Page 19

INDEX TO COMPANY HIGHLIGHTS

B. Fertleman borrowings

B. Fertleman and Sons proposes that the borrowing powers be increased from £818,080 to £2m.

Effects of inflation coupled with a period of sustained growth in terms of turnover and profits, has led the directors to the conclusion that the limit is now insufficient to enable them to deal with all possible contingencies.

In particular they are looking for ways to expand activities on a profitable basis, and wish to be in a position to take full advantage of any situation that may arise.

Standard Trust unchanged

REVENUE of Standard Trust is almost unchanged at £1,139,265, compared with £1,135,266, after tax up from £737,291 to £815,570. At halfway revenue was down from £834,589 to £501,505.

Stated earnings at year-end are 4.72p, against 4.8p and dividend total is up from 3.93825p to 4.2p net, with a final of 2.7p. Net asset value per share is 148½p (94p).

Ferguson £0.54m. for 9 months

SALES FOR the nine months to November 30, 1975, of Ferguson Industrial Holdings increased from £12.12m. to £16.81m., while pre-tax profit decreased from £705,000 to £536,000.

Third-quarter sales of £6.48m. produced a pre-tax profit of £183,000, continuing the shallow up-trend evident in the first two quarters—£168,000 and £174,000—says the chairman, Mr. D. Vernon.

The third quarter was notable for improved conditions in the public and private house-building sectors which were evident in most of the builders' merchants companies, the first full quarter's contribution of £55,000 pre-tax from Wright-Scriven which should be repeated in the final quarter and the reports of record or maintained profits from all three of the public companies in which Ferguson has made long-term investments.

The companies are Hindson Print Group (28.46 per cent. holding), the Liner Concrete Machinery Company (28.02 per cent.) and Allan Kennedy and Co. (13.37 per cent.).

Regarding the builders' merchants companies, Mr. Vernon says the current quarter's results must be seen before he can be convinced "that we are not merely witnessing a false dawn." Margins, he says, are still under considerable pressure.

Third-quarter interest charges were up from £27,000 to £79,000 mainly accounted for by the interest on the cash content of the bid for Wright-Scriven and stage payments on the new Humberside warehouse. Benefits from the latter will not show until new trading year.

● **comment**

A 35 per cent. increase in Ferguson's third-quarter sales has pushed trading profits 11 per cent. higher, but a near-trebling of interest charges has reduced pre-tax profits by over a tenth, to leave them trailing 24 per cent. in arrears for the nine months. The apparent underlying improvement on the previous two quarters seems to be entirely due to the inclusion of £55,000 worth of profits from Wright-Scrivens, acquired in the summer, but assuming a repeat performance in the final quarter, pre-tax profits could emerge in the region of £730,000. This would cover a prospective maximum dividend payment 1.7 times for a yield of 11 per cent. at 69p.

Blundell Permoglaze pays more

GROUP PROFIT, before tax, of paint manufacturers Blundell-Permoglaze Holdings decreased from £1,020,051 to £842,782 in the year to October 31, 1975, after a first half downturn from £473,455 to £272,013.

The chairman, Mr. N. G. Bassett Smith says "excellent progress" was made in the second half after a disappointing first year as forecast. The performance during the second half was brought about by substantial restocking by the merchants, a buoyant export market, particularly in the Middle East, and an increased demand for industrial paints which was against the general trend within the industry.

In the Board's opinion the results and confidence in the current position justify an increase in the total dividend from 2.21p to the permitted maximum of 2.36p net. The final is 1.69p.

Stated earnings per 25p share were unchanged at 6.4p.

During the year the capital expenditure programme continued at a high level and in October the new water-based production plant, the most modern in the country, was opened.

Due to the change in status of the Indian Company, Blundell Eomite Paints, from a subsidiary to an associate, the presentation of the results for the year 1974 have been adjusted to show the figures for Blundell Eomite on a comparable basis with 1975 although throughout 1974 the group share of profits and tax shown was 59.4 per cent. compared with 28.2 per cent. in 1975.

● **comment**

After forecasting an unchanged second half at the interim stage Blundell Permoglaze has actually lifted trading profits for that period by 38 per cent. The improvement is reduced to only 4 per cent. at the pre-tax level but that is merely a reflection of the group's efforts, since April 1975, to cut back on its Indian interests. In the current year trading has apparently remained buoyant and the group should soon start to see the benefits from its recent modernisation programme at the major factory in Hull; this has apparently taken up about £60,000 from the £1m. FCI loan arranged last November. A 10 per cent. rise in pre-tax profits this year looks a reasonable bet and although that would still leave the group slightly short of a full recovery to the 1973-74 peak, the recent diversification efforts must enhance chances of survival in an industry, dominated by such giants as ICI, Reed International and Berger Jenson. At 44p the shares are yielding 8.6 per cent. around 1½ points more than Donald Macpherson.

Anglo Argentine Tramways payments

Anglo Argentine Tramways Company confirms that, in addition to the special interest payment on the first Debenture stock on March 1—already announced—and the payment of the Ordinary first debenture interest due on that date, the company will also be paying on March 1, the 12½ per cent. capital repayment which forms part of the repayment programme under the 1967 scheme of arrangement.

On July 1 there will be a further payment of 4½ per cent. under the scheme. Of this 4 per cent. will be subject to income tax.

The effect of payments up to and including July 1 will be that First Debenture holders will have been repaid to the extent of 102 per cent., all amounts paid in excess of that total being treated as arrears of interest and subject to tax.

New chairman for British Steel Constn.

Mr. R. Aitken has been appointed chairman of British Steel Constructions (Birmingham) in succession to Mr. R. A. Dickinson, who remains on the Board.

Dealings in the company's shares were suspended in December at the Board's request while the future of the company was considered. Earlier this month it was announced that, because of liquidity problems, BSC was unable to meet the interest payment due on December 31, 1975, on its 8½ per cent. Partly Convertible Unsecured debenture issue. At that time, the trustees of the stock agreed not to exercise their rights in relation to the non-payment, pending the submission of a reconstruction scheme.

RIGHTS RESULTS

Trafalgar House's rights issue to raise £25¼m. on the basis of one-for-four at 85p has been accepted as to 94.7 per cent. of the 30m. shares offered. The shares not taken up have been sold at a net premium over the offer price of 24p per share and will be distributed to entitled shareholders.

Lake and Elliot's rights issue to raise £1.5m. by the issue of one-for-two at 50p per share has attracted acceptances of 92.5 per cent. of the shares offered. The balance has been sold at 63.875p per share, and will be distributed to entitled shareholders.

Ashley Ashwood

Mr. M. G. Bassett Smith, chairman of Blundell-Permoglaze.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Textile	3.22	April 2	3.02	5.28	4.95
Ashdown Trust	2.1	Mar. 25	2.05	3.05	2.93
James Austin ...int.	2.0	Mar. 5	2.0	—	4.38
Peter Black ...int.	2.0 (a)	May 1	1.4	—	4.69
Blundell-Permoglaze	1.69	April 1	1.54	2.36	2.21
Bullough	2.87	—	2.87	4.58	4.27
Dunford & Elliott	0.5	April 2	2.72	2.25	4.47
Fashion & General ...int.	1.6	Feb. 18	1.51	—	3.7
Glass Glover	0.96	April 1	0.86*	1.38	1.27*
Greenfriar	1.0	Mar. 25	0.95	1.0	0.95
Henlys	3.61	April 8	3.61	5.36	5.36
Lonrho	1.25	April 5	1.28*	3.72*	3.52*
Lonrho ...int.	0.9	April 5	0.85*	—	3.72*
Standard Trust	2.7	Mar. 25	2.76	4.2	3.94

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Increased to reduce disparity. (c) For 61 weeks.

Bullough holds profit as expected

IN LINE with a forecast that results "will not be materially different," pre-tax profit of Bullough, the engineering group, was £1,219,000 for the year ended October 31, 1975, against £1,208,000, after an upturn from £420,200 to £816,600 in the first half.

Assuming no further deterioration in present economic circumstances, the directors expect a "satisfactory increase" in the current year although it is likely that this will not show until the second half. Expectations are founded on the return of profitability at Hago Products, increased profit forecasts at other companies and a contribution from a recent acquisition.

Dividend total is the maximum permitted 4.5806p net, compared with 4.2736p, with a final of 2.8736p (same).

The year's profit would have been a record but for a substantial loss in Hago Products. Drastic action was taken, including management changes and this halted losses by the year-end. The recovery has been sustained, say the directors.

As a result of careful control of cash flow the company had a positive cash balance at the year-end. This enabled the acquisition in November, 1975 of the Project Group partly for cash. In addition it has allowed the company to plan substantially higher capital expenditure in the current year without strain on liquidity.

The return from the Project Group is likely to be low in the first part of the year.

The outlook for the overseas contract furnishing activity remains bright but the standstill which followed the Nigerian change in Government has had the expected adverse effect on short-term prospects.

● **comment**

The fact that Bullough's pre-tax profits are virtually unchanged after growth of 47 per cent. in the first six months, is due to a £400,000 turnround to losses of £200,000 in Hago Products, manufacturers of TV stands, mainly in the second half. This side is now back in profit, electrical engineering (about 30 per cent. of sales) has good order books for its alternators and flame-proof motors for the colliery industry, and B and B Trailers is holding its own by pushing up exports. In addition, there will be a sizeable contribution this year from the recent £1.2m. acquisition of Office Project Furniture. Pre-tax profits could reach £1.75m. where the prospective p/e at 78p is 5.6 (on the enlarged share capital). Although they have risen by 50 per cent. in the past six months, the shares still yield a useful 9.4 per cent., covered roughly 2½ times.

Henlys turns in £1.86m. profit

ON A TURNOVER up from £118.4m. to £121.3m., group pre-tax profit of Henlys decreased from £2.41m. to £1.86m. in the year to September 30, 1975, after being down from £1.06m. to £0.69m. at halfway.

Stated earnings per 20p share decreased from 9.2p to 7.4p and from 11.1p to 7.1p after extraordinary items. A final dividend of 3.6143p makes a same again net total of 5.3643p.

Mr. G. Chandler, chairman, says the figures are better than might have been anticipated following the interim results.

Economies generally in the utilisation of funds led to a reduction in interest charges in the second half. The dominant feature was the decline in sales of U.K.-based vehicle manufacturers.

The fall in sales of U.K.-built vehicles, Mr. Chandler adds, was largely because of supply problems which proved particularly serious in the higher price range in which Henlys has a major interest. Another material factor affecting the sales volume of new cars—down some 22 per cent.—was the action taken by fleet customers in deferring purchases.

Against that, however, sales in used cars went up in volume terms by more than 10 per cent.

As to the current year, Mr. Chandler states that the supply position of the higher priced models continued to deteriorate to a serious degree during the whole of the first quarter.

Activity in other sectors remains fairly steady, and there are current benefits of reduced interest costs arising mainly from a reduction in investment in stocks compared with the abnormal high level of a year ago.

But management figures for the period to date indicate that as a result of diminished sales of new vehicles, profits at the half year will be down.

On prospects for the year as a whole, he points out that much will depend on improved and maintained supplies of vehicles coupled with an improvement in the general trading climate.

There are signs of increasing confidence, Mr. Chandler concludes, but in anticipation that there will be a considerable improvement in the supply of British-built cars in the future, it is essential at that time "the Chancellor allows easing of the current purchase and credit sales restrictions as he has in other sectors of industry recently."

	1974-75 £000	
Turnover*	121,308	[illegible]
Trading profit	[illegible]	[illegible]
Interest charges	[illegible]	[illegible]
Profit before tax	1,860	[illegible]
Taxation	[illegible]	[illegible]
Net profit	[illegible]	[illegible]
Extraordinary debits	[illegible]	[illegible]
Available	[illegible]	[illegible]
Dividends	[illegible]	[illegible]
Retained	[illegible]	[illegible]

* Excluding car tax and VAT. [illegible] depreciation £[illegible] (£[illegible]) net of [illegible] plus on disposals of £[illegible] ([illegible]). [illegible] Included exceptional deferred charges £45,000. [illegible] Surplus on disposal [illegible] £72,000 (£[illegible]), less property [illegible] ment fees written off £[illegible] ([illegible]) losses on partial closure of French subsidiary. [illegible] Credits.

● **comment**

Henlys' profits have dropped for the third year in succession. A ray of light, however, is that the rate of decline of 35 per cent. at the interim stage has been reduced to 13 per cent in the second six months. Nevertheless against sector averages, these are very disappointing figures. Henlys' hefty involvement with British Leyland has not helped, especially the large amount of business geared to the specialist Jaguar, Triumph and Rover markets. A shortage of vehicles has further depressed trading condition, but it did at least bring down working capital requirements, and year-end borrowings are subsequently £1m. lower at £10½m. The group paints a gloomy picture for this year as well, and is not talking in terms of a recovery in demand till late this year or perhaps early next. At 77½p the p/e of 9½ is not particularly cheap, while the yield of 11.7 per cent. is covered only 1.4 times.

Utd. British Securities

Income of United British Securities Trust improved from £1.25m. to £1.33m. in the six months to December 31, 1975 and after expenses, debenture interest and tax, available revenue increased from £0.7m. to £0.73m. For the full year 1974-75 the figure was £1.47m.

As known the interim dividend is being kept at 2p net. The previous year's total was 6.4p. Net assets per 25p share at December 31, 1975, were £2.62 (£2.40 at end June and £1.42 at December 31, 1974.

	Six months 1975 £	1974 £
Income	1,328,496	1,254,913
Expenses	48,280	39,213
Debenture interest	82,000	82,000
Tax	461,068	462,290
Available	745,178	701,400
Pref. div.	11,944	12,563
Int. div.	442,809	442,809
Net assets	37,930,938	31,506,860

* Included in the net assets applicable to the Ordinary shares is £3,441,579 (at end 1974 £3,347,861) being the Investment Currency Premium at 52 per cent. at an exchange rate of $2.0232 to £1 (1974 [illegible] per cent. at $2.35 to £1) of the value of overseas investments. The sale of any of these investments would result in the loss of one quarter of the premium applicable to that sale. In arriving at the net asset figure, the prior charges have been deducted at par.

Fashion and General

Net profit of Fashion and General Investment was [illegible] changed at £40,000 (£43,000) for the half year to September [illegible] 1975, after tax of £29,000, against £33,000, and the directors expect the year's net figure to be "not materially different from" £84,230 for 1974-75.

The interim dividend is lifted from 1.5075p to 1.6p net per share and the directors hope to increase the final to the maximum permitted—2.19375p for last year.

Allied Textile down ½m.—borrowings cut

...NG exceptional profits ...683 the group pre-tax ... of Allied Textile Com... ...nerges at £1.51m. for the ...led September 27, 1975. ...resents a reduction of ... on the previous year and ... first half downturn from ... to £656,752. Stated earn... 25p share show a fall ...5p to 12.6p.

...rofit and loss account ... extraordinary items of ... which are accounted for ... closures and re-organisa...s. This follows the exten... ...tionalisation programme ... in the July interim ...t.

...rectors say that the scale ...nificance of the re-...tion programme are ... by the reduction in ... employed—from 3,488 to ...r the year to September ...ey feel that the extra... expenses should be con... at the same time as ...ments in the balance-...

... borrowing has been ... from about £3.5m. at end ...er 1974 to less than ... at September 1975. By ...ember 1975, before pay... ...f corporation tax due ... 1976, the group's net ...lances were about £1m. in ...

...st payable, which was ... to £370,673 (£505,330) in ...-will compare more than ...ly with the best future ...xpectations from produc... ...ased out during the past ...e directors state.

... point out that the im... cash position at Septem... 1975 is after accounting ...pital spending of about ... Present plans involve ...g a further £0.75m. on ...d machinery. As a result ... extensive re-equipment ...ome, cash flow benefits in... ...ly from higher deprecia-...

	1974-75 £	1973-74 £
...	24,805,438	28,150,156
...profit	1,632,290	2,588,876
...al profits	245,685	—
...payable	370,673	505,330
...fore tax	1,507,218	2,083,046
...	723,000	1,138,700
...	784,218	904,346
...	329,655	316,061
...nary items	332,221	—
...	102,334	590,305
EMPLOYED		
Assets—		
...	5,879,480	7,467,196
...	3,099,238	3,401,475
...coverable	—	633,748
...	416,094	44,302
...	9,394,802	11,546,721
Liabilities—		
...rs	3,432,992	3,867,389
...ation tax	1,334,927	391,733
...overdrafts	690 206	3 472,939
...ed dividends...	329,655	395,457
...	3,882,780	7,317,340
...rent assets	3,451,832	4,231,381
...s	237,901	231,699
...	3,494,346	4,072 973
...	9,180,809	9,437,268

...bers are told that not-...anding the improvement in ...balances, substantial facili-...r borrowing from bankers ...n unaltered ensuring a more than adequate source of working capital as and when required for extension of the business, by organic growth or by acquisitions.

The net dividend is raised by the maximum permitted—from 4.94625p to 5.278625p, with a final of 3.223p.

As regards present trading, the directors report that the recession continues but there is now a view that the decline in trade may have reached its lowest point and group activity is gradually improving although there remains great pressure on margins.

Home trade is unlikely to improve appreciably until the U.K. economy revives and there is less erosion in the real value of spendable incomes. Export markets seem likely to improve.

There is now no significant loss-making in any part of the group and the combined first quarter management accounts compare favourably with those for the same period last year.

The directors find it impossible to forecast the likely outcome of the current year but the group "is in a well-prepared state to progress and perhaps even more important in the context of the U.K. economy, very well capable of weathering any further downturn," they declare.

● comment

Allied Textile is nearly two-fifths lower before tax and exceptionals. But profits are not expected to get any worse this year while the chances are that 1975-76 will, in fact, see the beginnings of a recovery. The overall trading background remains very weak, and although wool prices are about a quarter up on January, 1975, they are still a good half below 1972-73 levels. But demand from outside the U.K. is starting to pick-up for Allied, last year's reorganisation is going to knock something like £1m. off the group wage bill and the balance sheet is now in a position of considerable strength. Net working capital dropped a third last year and net borrowings have fallen from 60 per cent. to around a tenth of shareholders' funds. At all events, the shares rose 7p to 93p yesterday, for a yield of 8.9 per cent.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's time-table.

TO-DAY

Interims:—W. G. Allen and Sons (Tipton), Daejan Holdings, David Dixon, Kamunting Tin Dredging, Manson Finance Trust, Midland Trust, Perak River Hydro-Electric Power.

Finals:—British Sugar Corporation, Gestetner, Y. J. Lovell, Plastic Constructions, Vereeniging Refractories.

FUTURE DATES

Interims:—	
Customagic Manufacturing	Feb. 19
McKay Securities	Feb. 3
Vibroplant	Feb. 4
Finals:—	
Blackman and Conrad	Feb. 6
Claverhouse Investment Trust	Feb. 3
Hirst and Mallinson	Feb. 3

P. Black first half upsurge

ON SALES up from £5.82m. to £7.13m., group pre-tax profit of Peter Black Holdings advanced from £514,000 to £641,000 in the half year to October 31, 1975—"a satisfactory increase," the directors state.

They point out that it is typical of the trading pattern to show better results in the first six months. While it is difficult to forecast in the present economic climate, "we face the future with confidence," they add. Profit for the year to April 30, 1975, was £914,000.

The company manufactures slippers, casual footwear and hand luggage.

Stated earnings per 25p share for the half year increased from 6.17p to 7.7p. The interim dividend is stepped up from 1.4p to 2p net in order to reduce disparity with the final—3.29p for 1974-75.

	Half-year 1975 £000	1974 £000	Year 1975 £000
Sales	7,129	5,817	10,482
Profit before tax	641	514	914
Taxation	333	267	549
Net profit	308	247	365
Dividends	80	56	188

● comment

Peter Black's interim profits rise of a quarter looks impressive. But Black is fortunate in that its footwear division (a little more than half of profits) is heavily engaged in slipper manufacture, and here the competition from imports, which has undermined so much of the U.K. footwear industry, is minimal. Also, a move into general casual shoes, basically of the canvas type, is proving a success, but this is an area where the competition could hot up. Elsewhere, hand luggage has again shown a profits advance, and though this division is more susceptible to pressures on consumer spending, Black has experienced few problems yet. The move into casual shoes makes for a less seasonal trading pattern than has been the rule in the past, so it looks reasonably safe to estimate full year profits say a fifth higher at £1.1m. On this basis the prospective p/e drops to a tempting 5½ at 78p, while the maximum yield is a healthy 10.7 per cent. covered 2½ times.

Wilkins & Mitchell Pref. repayment requested

IN A FURTHER announcement regarding the proposal by Wilkins and Mitchell, the Servis washing machine and power press group, to increase its borrowing limits, the directors state that major Preference holders have been consulted and have indicated their wish to be repaid.

An increase in the borrowing limit provided by the Articles, requires both the consent of the Ordinary holders and an extraordinary resolution of Preference holders. Present proposals provide for the repayment of the Preference capital at par on March 31, 1976, at a total cost of £160,000 which the directors consider to be expedient in the light of present group requirements.

The directors are beneficially interested in 3.93 per cent. of the Preference capital and will not vote in respect of these shares. The National Farmers' Union Mutual Insurance Society holds 46.25 per cent. of this class.

It is proposed to raise the borrowing limit to one and a half times capital and reserves. The effect would be to raise the level of permitted borrowings based on the last full accounts, from £5.5m. to around £8.2m.

Last week the group reported a loss before tax of £1.14m. for the half year ended September 27, 1975, compared with a profit of £26,000. And the interim dividend was omitted.

The chairman Mr. H. R. Wilkins says that although in October the domestic appliances division was operating profitably and selling all its production, in November there was a downturn in the market. This fall off escalated rapidly and there is now a substantial surplus of stocks of all brands of washing machines in the hands of stores and dealers. In consequence the division has built-up large unsold stocks and is now operating on short-time. The chairman points out that a comparatively small build-up of stocks requires considerable additional finance.

The effect of the increased stocks in the coming weeks will be to put a strain on the group's liquidity and further borrowings will be necessary in excess of the present limit. Arrangements have been made in addition to the proposed new limit for additional facilities to be made available and the directors are confident that as the market recovers it will be possible to dispose of all models put into stock during the present exceptional period.

An extraordinary meeting will be held on February 19.

See Lex

Special offer from Norwich Union

By Eric Short

The Norwich Union Insurance Group is making a special offer to certain of its policyholders whereby they can boost their life cover with a minimum of form filling. This offer, which applies to all clients under 65 who have taken out a with-profits policy on normal terms within the last five years, enables them to effect a new policy of the same type and for the same term as the old one for up to 50 per cent. of the previous sum assured, subject to a minimum cover of £1,000 and a maximum of £10,000.

Policyholders have only to complete a simple proposal form which asks only one medical question—has the person had any illness or injury since the previous policy. The objective of the offer, which ceases on April 1, is to encourage policyholders to bring their life cover up-to-date in the light of the reduction in real terms of their present cover arising from inflation.

Raeburn Trust prospects

In view of the unpredictable economic climate in the year to November 30, 1975 the directors of Raeburn Investment Trust decided to increase the proportion of funds invested overseas, especially in the U.S., and kept larger sums than usual in liquid form.

Consequently revenue available for Ordinary holders fell from £1,045,256 to £910,800 mainly reflecting a reduction in franked income.

The chairman, Mr. D. Meinertzhagen, stresses that the continuing statutory controls on dividends paid by U.K. companies will tend to limit any improvement in Raeburn's franked income from higher dividends on its existing U.K. investments.

As reported on January 17 with net asset values, the dividend for the past year was 3.15p net (3p).

Investments totalled £27.77m. (£30.28m.) valued at £40.76m. (£24.42m.).

Meeting 21 Moorfields, E.C., Feb. 20 at 2.30 p.m.

Chairman's statement Page 29

ASSOCIATED ENGINEERING

Mr. J. N. Ferguson, chairman of Associated Engineering, told the annual meeting that results for the first four months showed an encouraging increase in both sales and profits, and this confirmed expectations of a satisfactory improvement in profits for the year as a whole.

Austin Steel downturn

GROUP PROFIT, before tax, of James Austin Steel Holdings decreased from £582,384 to £445,300 in the half year ended September 30 1975—a "very satisfactory result" considering the present state of the economy and the influence of stock appreciation on the comparable period last year, says the new chairman, Mr. E. G. T. Firth.

The downturn in trade affected turnover—down from £4.3m. to £4.13m.—and, more noticeably, the profitability since irrecoverable costs continue to rise.

However, the cash position is sound and the directors are confident of maintaining a good level of activity in both divisions. Results for the year "are expected to be satisfactory under present trading conditions," the chairman adds. Profit for the year to March 31, 1975 was £1.43m. on a turnover of £9.1m.

As before the interim dividend is 2p net (same) per 25p share costing £60,000. Last year's total was 4.375p.

	Half year 1975 £	1974 £
Turnover	4,132,668	4,304,492
Trading profit	402,962	550,396
Interest receivable	42,338	31,998
Profit before tax	445,300	582,394
Taxation	232,000	304,000
Net profit	213,300	278,394
Extraordinary credits	23,340	—
Attributable	236,640	278,394

● comment

Although James Austin's interim results must be seen against an especially good previous year when windfall profits arose from a big steel price increase, a 27 per cent. fall in group trading profit with a 4 per cent. sales drop points to a marked downturn in business levels. Against last year's second half, moreover, pre-tax profits were down by almost a half. Few steel stockholders expect to see any recovery before the summer and Austin's structural engineering interests, which contributed around 25 per cent. of last year's turnover, still reflect the same trend. Exports meanwhile are already suffering from recession on the Continent. The company still enjoys a comfortable cash balance, however, although this has probably been reduced now to almost half of the £1m. recorded last March as a result of tax payments this month. The prospective p/e (assuming no recovery until after the current half) compares well with the sector, however, at 3.8. The shares at 66p yield 10½ per cent., which would be covered nearly four times.

Satisfactory start by J. & H. Jackson

Although too early in the current year to give any definite indications as to profits, Mr. P. J. White, chairman of J. and H. B. Jackson reports that the first three months have been reasonably satisfactory and it is hoped that this will continue.

The group has now decided on its capital spending for this year and Mr. White feels that the group will be well placed to take advantage of any upturn in trade which should be experienced by the end of 1976 or the Spring of 1977.

Referring to the forging division, the chairman says that as the current shake out continues from companies that have previously been over-manned the future position looks much more sensible. This together with the commencement of an extensive programme of refurbishing and modernising the group's forging plants, enables him to view the future with confidence.

The engineering division is now well diversified and looks well placed to more than hold its own in the coming years.

As reported December 17, group pre-tax profit expanded from £1.31 to £1.65m. in the year ended September 30, 1975. The dividend is 0.46167p net (0.4045125p). As announced recently it is proposed to raise some £229,000 by way of a rights issue. A first interim dividend of 0.325p has been declared on account of 1975-76 and the directors forecast a final of 0.4875p on the enlarged capital.

The group's indebtedness at December 31, 1975 amounted to £626,577—comprising loan capital of £515,886 and secured bank borrowings repayable within one year of £110,691.

Meeting Coventry February 25 at noon.

Greenfriar Investment

Greenfriar Investment Company is raising its dividend from 0.95p to 1p net per 25p share for 1975 from earnings up from 1.02p to 1.06p per share.

Gross income was down from £212,801 to £176,607, subject to reduced interest charges of £80,078 (£121,838).

	1975 £	1974 £
Gross income	176,607	212,801
Interest charges	80,078	121,838
Management expenses	27,213	22,794
Net tax	24,681	27,268
Dividend	40,000	38,000
Value investments	3,568,198	2,339,542
Net current assets	362,869	1,080,539
Fixed loans	744,367	1,030 478

Net assets per share were 87.1p (50.5p). Investment currency premium was 62 (60) per cent. and contingent cost of 25 per cent. surrender per share 3.5p (4p).

Greenall Whitley needs sales boost

INDEPENDENT brewers Greenall Whitley and Co. has decided to raise the level of capital expenditure slightly over last year, announces Mr. C. Hatton, chairman, in his annual statement.

In the year to September 26, 1975, capital expenditure amounted to £5.79m., some £0.3m. less than the previous 12 months. Two-thirds is still being spent on improvement and extension of production facilities at Warrington, at the distillery and at the Cambrian soft drinks factory.

The accounts show that contracted commitments for future capital expenditure total £1.3m. (£2.4m.) while those authorised but not contracted for amount to £1.2m. (£0.4m.).

The chairman is confident the company has the best facilities in the industry to expand but it needs greater sales volume to provide the impetus for sustained growth of earnings.

Mr. Hatton is concerned that consumer spending, severely hit by inflation, must affect sales growth. If the market declines the company will be "hard pressed" to improve profits.

Nevertheless, every effort is being made to improve profits, at least in money terms, he states.

The first phase of the new Steinecker brewhouse came on stream in March 1975. The final phase of the complex has been commenced and completion is expected by October. The fermenting room capacity has also been increased.

The company is well advanced with certain other building works necessitated by the closure of the St. Helens brewery which ceased production in September last.

The directors are confident that investment in quality beers is vital for sales growth. The improved sales performance of bitter and Grunhalle lager have vindicated this policy.

However, sales of bottled beer give cause for concern because, in line with the national trend, demand has fallen.

Trading in wines and spirits in the U.K. is now very competitive and profit margins are under pressure.

In soft drinks, the unprecedented increase in the cost of raw materials in the early part of the year which could not be recovered immediately in selling prices was a set-back to profitability, but this was more than made good during the summer, resulting in a record contribution to group profits.

During 1974-75 six new public houses were opened and major alterations were carried out to 19 public houses.

To meet anticipated growth, 56 acres of land were acquired at Stretton, near Warrington, and the company is currently discussing long term development plans with the local authority.

The hotel industry has been severely affected by the economic situation. However, trading levels at Compass Hotels are being maintained and is well poised to take advantage of any market improvement.

As reported on December 23, pre-tax profit improved from £5.13m. to £5.96m. during 1974/75. This was struck after expenditure of £2.03m. in repairs to properties. Dividends are up from 2p to 2.1243p net.

Overdrafts were down from £3.24m. to £2.01m. due to careful monitoring of cash flow and the savings from the alternative scrip to cash dividend. The working capital position has improved.

The chairman anticipates that cash resources and available borrowing facilities will be adequate to meet the cost of the planned capital expenditure programme.

Meeting, Daresbury, February 19, noon.

Glass Glover jump

A JUMP of over 25 per cent. in profits, the maximum permitted dividend increase, and a further scrip issue, this time on a one-for-one basis, are reported by the Glass Glover Group, importers and distributors of fresh vegetables.

On a turnover ahead from £12.41m. to £14.5m. profits show an increase of £41,433 to £201,509 for the year ended September 30, 1975, after a marginal rise from £32,497 to £55,769 in the first six months.

After all charges profits attributable to Ordinary holders emerge at £123,528 compared with £89,787 and stated earnings per 5p share are up from 2.4813p to 3.3146p.

The dividend total is raised by the maximum permitted from 1.2863p (adjusted for a scrip issue) to 1.3513p, with a final of 0.9582p.

For the current year the directors are forecasting a further satisfactory increase in profits and a rise in the dividend of not less than the maximum amount now permitted.

On current trading and future prospects, the directors report that so far as the group's wholesaling activities in the U.K. are concerned, successful implementation of development plans encourages them to believe that the company will maintain and increase its share of the market in which it operates. The group's distribution activities and methods have been re-structured in recent months and will make an increased contribution to profits.

The company's finances are very sound, its liquidity position is excellent and it has no long-term borrowing, members are told.

The group net asset value has increased by 12.2 per cent., and at September 30, was 26.68p.

Rustenburg Platinum Mines Limited

(Incorporated in the Republic of South Africa)

Chairman's Review by Sir Albert Robinson

Western World demand for platinum, which had remained buoyant during the 1973/74 financial year, showed signs of weakness towards the end of 1974. Further deterioration in demand became evident during the early weeks of 1975 and in a statement dated the 4th February the company, in announcing the Board's decision to curtail mine production by approximately 25%, pointed out that prospects for the foreseeable future had weakened considerably.

The volume of the company's platinum sales for the financial year ended August 1975 was slightly lower than that for the previous year. The gross value of all metals sold was 2% higher. However, interest charges and a major escalation in costs were such as to result in a 24% decrease in profit before taxation for the 1975 financial year.

Reflecting the difficult year through which the company has passed, net revenue of R58M and after-tax profits of R47.3M compare with record levels of R71.4M and R56.9M respectively for the year ended August 1974. At R5.45 per share the dividends declared for the past financial year were substantially lower than the R21.84 declared for the previous year.

The Market

Platinum In Industry

The demand for platinum in the main industrial markets remains weak.

The downturn in demand for the manufacture of glass fibre which started in late 1974 has persisted. The glass industry is not employing its installed capacity to the full and present prospects for new plant construction are poor.

Although there is an occasional call for platinum for new oil refining facilities most major refiners have surplus platinum inventories.

There is some indication of over-production in the fertilizer industry and hence the possibility of a decline in the demand for platinum gauzes for use in nitric acid manufacture.

Sales of thermocouples to the steel industry are depressed in sympathy with lower steel production.

Platinum In Jewellery

In Japan the demand for platinum by the jewellery industry, which constitutes the Western World's largest single outlet for platinum, showed a marked increase in 1975 as compared with 1974. This demand has remained firm since the end of 1975. Following intensive research and planning, an advertising and promotion campaign was formally launched by Rustenburg in Japan in September 1975 at successful trade conferences in Tokyo and Osaka to which leading Japanese jewellers were invited. The campaign is aimed at consolidating and expanding the use of platinum in jewellery.

In the United Kingdom, the promotion which was carried out early in 1975 to coincide with and publicise the introduction of a hallmark for platinum was followed later in the year by the first stages of a campaign to encourage the trade and the public in the use of platinum in jewellery.

In the USA the promotion campaign, which was successfully launched during the second quarter of 1975, is being continued. Preliminary surveys of the potential market for platinum jewellery have been completed in two major European countries and consideration is now being given to the possibility of introducing advertising and promotion campaigns in these countries.

By-Metals

For the financial year ended August 1975 the volume of the company's sales of palladium showed little change from the total for the preceding year but the deterioration in the price as a consequence of a persistent weakness in demand resulted in a substantial fall in sales revenue. This weakness persists because of the high prices for palladium that were set by Russia in 1974. This resulted in consumers substituting other precious metals for palladium in certain manufacturing industries. It may take some years before palladium demand recovers fully. This emphasises the importance of maintaining stable prices, which has been the cornerstone of Rustenburg's policy in respect of platinum.

The Automobile Industry

As a result of the reduction in automobile production in the USA during 1975 the volume of platinum and palladium delivered by Rustenburg for use by the Ford Motor Company in catalytic converters for the control of automobile emissions was lower for the year to August 1975 than for the preceding financial year. Improved sales of automobiles in the USA, together with the decision by the Ford Motor Company to fit 100% of its automobiles with catalytic devices, will result in total deliveries by Rustenburg for the first half of the current financial year being slightly in excess of deliveries for the whole of the 1975 financial year. It is expected that sales of platinum and palladium for use in automobile catalytic converters will make an important contribution to the company's overall sales during 1976.

Alternative emission standards for hydrocarbons, carbon monoxide and nitrogen oxides are at present being debated in the USA to replace current interim standards and to take effect for model year 1978 and later model years. For model years 1978 and 1979 the new standards are likely to be a compromise between the interim standards at present in force and the statutory standards originally proposed. In subsequent model years a further tightening up is possible, particularly in respect of the control of nitrogen oxides.

The most promising catalyst for removing hydrocarbons, carbon monoxide and nitrogen oxides simultaneously, the three-way catalyst, contains platinum and rhodium as the precious metal components.

It is now confidently anticipated that the automobile industry is likely to remain committed to the use of platinum group metal catalysts well into the 1980's and possibly beyond.

Prices

The company's dollar prices of platinum and palladium were lower in the second half of the 1975 financial year than in the corresponding period of the preceding financial year. In the face of weak market conditions the company announced further reductions in its prices in October 1975 below the levels ruling at the end of August 1975, decreasing platinum from US$170 to US$155 per troy ounce, palladium from US$60 to US$50, rhodium from US$350 to US$300 and iridium from US$500 to US$400. The Free Market price of platinum, which remained below the Rustenburg price almost without exception during 1975, was US$134–US$144 in mid-January of this year. About the same time the Russians were offering platinum at US$142.50.

The impact on profitability of the fall in dollar prices has been cushioned by devaluations of the rand during 1975, which amounted to about 23%.

Productivity

In order to temper the effects of rising production costs a large-scale productivity plan covering all aspects of production has been launched on the company's mines.

In stoping, the introduction of mechanisation in the form of winch scraper cleaning has enabled the mine to increase significantly the centares per underground employee compared with the conventional herringbone cleaning system.

Monorope winches have improved the transport of timber into stopes. Mine layouts have been modified to incorporate longwalls which will result in better supervision, improved ventilation and greater face utilisation. Hydraulic operated box fronts have been installed to speed up the loading of ore into hoppers. Concrete packs have been successfully tested and will replace approximately 80% of the timber used underground. They ensure better support, improve ventilation controls, reduce the fire hazards, and are less expensive than timber.

In development, the introduction of a composite development crew has proved effective, resulting in a marked improvement in the number of metres advanced per underground employee.

A sophisticated jumbo drill rig is on trial and if successful will bring about a further reduction in labour with improved efficiencies. Inclines previously handlashed are now all cleaned mechanically. On the mines in general, various innovations have also brought about improvements in productivity. A computerised badge reading system has been introduced and improves the control of the whereabouts of employees underground.

In the Training Centre a simulated mechanised stope has been built to improve the training of Black labour. A large-scale underground reclamation programme coupled with an extensive salvage operation on surface has been completed, enabling second-hand material to be re-used in place of new material with concomitant cost savings. The use of photogrammetry for stoping width and grade control has been extended and a digitiser has been introduced to improve the efficiency of the photogrammetry assessment. The Survey and Ventilation departments have been decentralised and operate from each shaft thereby eliminating travelling time and improving on-the-job service. In the smelter a Metter Pingon breaker has been introduced for cleaning slag from the mouths of the converters. Work studies conducted in the metallurgical plants have brought about a 54% reduction in Black labour. Planned maintenance in the Engineering department has reduced breakdowns and improved machine utilisation.

I have set out in some detail the efforts being made to improve productivity. This explains to shareholders how it has proved possible to increase Black wages by no less than 80% during the period under review and also how we have been able to contain in some measure the sharply rising costs that have been a feature of the mining industry during the past year.

Refining

It is pleasing to report that notable advances have been made in the treatment and refining of the converter matte produced by the mine. In 1968 improved matte treatment processes were introduced by both Johnson Matthey at Brimsdown in the United Kingdom and JCI at Rustenburg and these over the succeeding years gradually took over from the older Orford Process which had operated for the previous thirty years. At about the same time a new high temperature process was developed for refining the platinum group metal concentrates from these processes and has been operating for the last five years. Processing time and the rate of increase of treatment costs have been significantly reduced.

Long-range research initiated in the late 'sixties in the Johnson Matthey Research Laboratories has given rise to a combined matte treatment and refining process which will further reduce pipeline stocks and have a beneficial impact on operating costs. It has been taken through its development stages by the technical staff of Matthey Rustenburg Refiners in conjunction with the mine personnel and the first section of the production plant has now been commissioned. Development of the final refining stages is well advanced and it is expected that the whole process will be applied to part of the mine output during 1976. An important feature of the process is that the by-metals that are present in lower concentration are produced in high yield at about the same time as the platinum and palladium.

Outlook

The uncertainties that have characterised the economies of the world's principal industrialised countries throughout the past year have on the whole not diminished. There are signs of a recovery in the USA but not elsewhere. This suggests that economic activity will not improve in real terms in the immediate future.

The confidence in sound and stable economic prospects that is a pre-requisite for investment and employment is not yet in evidence to a meaningful extent. Uncertainties persist, and, while they do, the outlook for the industrial demand for platinum will remain very difficult to assess. It is anticipated that the Japanese jewellery demand will remain firm and the volume of sales to the automobile industry will increase during the year. However, it seems unlikely that profits for the current financial year will improve over the 1975 level.

In regard to dividends I repeat the statement I made in my review a year ago: the company's dividend payment will depend both on results achieved for the year and on the prospects at the time a dividend declaration is due to be made. On present indications the dividend for the 1976 financial year will be similar to that paid in 1975 subject to the caveat that understandably this forecast would be affected by any significant change in demand.

General

We are grateful to our customers for the support they have given us during the past year, a period during which trading conditions have been very unsettled, and also to Johnson Matthey & Co Limited, who continued in a most efficient manner to carry out their role as our marketing agents.

I would also like to express my gratitude to the managers, consulting engineers and secretaries as well as all the staff and employees at the mines and at Head Office for the unstinted service they have rendered during the past year.

Johannesburg
28th January, 1976.

Potgietersrust Platinums Limited
Union Platinum Mining Company Limited
Waterval (Rustenburg) Platinum Mining Company, Limited

(Each incorporated in the Republic of South Africa)

The Boards of Directors of the above-mentioned companies draw attention to the Review by the Chairman of Rustenburg Platinum Mines Limited, the text of which is published above. The Annual General Meetings of the undermentioned companies will be held on Wednesday, 4th February, 1976, at the places and at the times stated below:

Rustenburg Platinum Mines Limited	Consolidated Building, Corner Fox and Harrison Streets, Johannesburg.	9.15 a.m.
Potgietersrust Platinums Limited	Consolidated Building, Corner Fox and Harrison Streets, Johannesburg.	9.30 a.m.
Union Platinum Mining Company Limited	Consolidated Building, Corner Fox and Harrison Streets, Johannesburg.	12 noon
Waterval (Rustenburg) Platinum Mining Company, Limited	Gold Fields Building, 75 Fox Street, Johannesburg.	2.30 p.m.

Copies of the above Review are obtainable from BARNATO BROTHERS LIMITED, 27, Austin Friars, London EC2N 2EY.

BIDS AND DEALS

Possible offer for Sandhurst

Sandhurst Marketing, suppliers of stationery and manufacturers of chemical products, is having talks which could lead to an offer being made for the company. A statement to this effect was issued last night following a sharp improvement in the share price this week; the shares closed at 36p, unchanged last night, having moved ahead 12p in the two previous trading days. The market capitalisation is currently just under £900,000.

The directors, who between them control around 70 per cent. of the equity, were anxious to stress yesterday that similar talks in the past had come to nothing.

Sandhurst recorded pre-tax profits of £287,000 in the year to June 30, 1975, compared with £254,000 previously. A half yearly statement, due next month, is expected to show a downturn so far in the current twelve month period. The chairman, Mr. Brian Hulme, said in his annual statement in the last published accounts that "I must here give warning that I cannot see any possibility of reaching last year's profits while present circumstances persist."

GARDINER SONS

In a circular giving details of the sale of Gardiner Sons' 55 per cent. interest in Gardiner Refrigeration and Air Conditioning—already announced—the directors say that, as Carlton Industries owns 91.9 per cent. of the Ordinary shares of Gardiner Sons and there are only 400,314 shares in the hands of the public, the administration and cost of maintaining the listing is no longer justified.

They have therefore requested cancellation of the listing from March 1. Meanwhile Carlton has instructed its brokers to purchase all shares of Gardiner offered in the market up to February 28 at 12p a share.

ASSOCIATES DEALS

On Monday, Panmure Gordon on behalf of discretionary investment clients bought 5,000 Chancery Consolidated Ordinary assented shares at 37½p.

Simon and Coates bought 150,000 Central and Sheerwood at 27½p average on behalf of an investment client, and sold 100,000 at 27½p on behalf of an associ... of Central and Sheerwood.

BERNARD MATTHEWS EXPANSION

Bernard Matthews, the turkey producer, is to pay £500,000 cash for Armour Le Grys, a subsidiary of the North American Armour and Co. The acquisition of Armour Le Grys, which breeds, processes and markets oven-ready turkeys from a 500-acre site in Suffolk, will push Matthews' annual output of birds to over the 3m. mark, which is roughly 20 per cent. of the total U.K. market.

The recent selling prices for turkeys have been substantially better and volume has been strong. The net effect has been to improve Matthews' profitability and to significantly reduce the group's overdraft. In addition to the price of £½m., Matthews is also to repay certain loans by Armour to Armour Le Grys.

The latest accounts of Armour Le Grys as at January 3, 1976, are expected to show net tangible assets of around £430,000 and unaudited profits for the financial year to that date of £250,000. Turnover for 1973 amounted to about £2.3m.

PARK PLACE INVESTMENTS

Park Place Investment announces that its brokers, Simon and Coates, in conjunction with Trevor Matthews and Carey of St Helier, Jersey, have placed with their clients the 1,643,260 shares amounting to 35.3 per cent. of the Ordinary capital formerly held by Cannon Street Investments.

FRASER ANSBACHER

Fraser Ansbacher has acquired 12,000 shares in Builders and General Mortgage Company from Mr. T. C. Jordan, the managing director.

Consideration was satisfied by the issue of 87,500 Fraser shares. Fraser now owns all the Builders and General Capital.

SHARE STAKES

Burndene Investments announces that Mr. D. T. Caldo... has acquired 1,180,000 Ordinary shares in the company.

Woodbourne Nominees hol... 4,084,605 Ordinary shares ... Dawson International.

New motor policy for students

By Eric Short

Endsleigh Insurances (Brokers)—the insurance broking division of the National Union of Students—is launching a new motor insurance scheme Studentplan 6 for present NUS members and Gradplan 6 for past members. The basic motor policy is for a six-month period and the premium rating structure is comparatively simple incorporating three areas and five vehicle groups. There is a varying accidental damage excess based on the area in which the accident occurs. The scheme also departs from the usual no claims bonus system and has instead a guaranteed bonus which is not automatically removed in the event of a claim being made.

The scheme has been designed in this form so that administration costs can be kept to a minimum. These can account for 40 per cent. of the premium in many motor insurance companies and Endsleigh estimates that savings of between 10 and 15 per cent. can be made. The new scheme has also been designed to spread the premium burden over the year and to provide a more equitable rating system.

Under this new scheme, an experienced driver over age 25 living in the lowest rated area would pay a six monthly premium of £31 less a discount of 40 per cent. for comprehensive cover on any small and medium car. The scheme is underwritten by Federation Mutual Insurance.

LONRHO FINAL

A final dividend of 1.245p per 25p share net, by Lonrho, the British-based group with extensive agricultural and industrial interests throughout Africa, the U.K., Europe and the Middle East makes a total equal to 3.724p a share net for the year to September 30, 1975, the maximum permitted, compared with 3.524p for the previous year.

A first interim dividend in respect of the current year of 0.900p (0.854p) is also declared.

Volmax to liquidate

Because of adverse economic conditions which have occasioned a serious shortfall in turnover and resultant losses, the directors of Century Securities have decided that the Volmax subsidiary should be placed in members' voluntary liquidation.

All creditors will be paid in full and when such liabilities have been discharged a declaration of solvency will be filed. At the earliest possible date cheques in full settlement of accounts will be sent out.

Other members of the Century Securities group are not affected by the Volmax closure and will continue to trade normally, the directors stress.

In their report with the Century Securities accounts, the auditors said they had been unable to satisfy themselves as to the reasons for the significant decrease in gross profit margins of Volmax which incurred pre-tax losses of £203,617 for the 16 months to July 31, 1975. For this reason, the auditors added, they were not able to express an opinion on the losses of the group for the period, reported at £79,181 before tax.

Holders are also reminded that a one-for-five scrip issue will be proposed at the annual meeting on March 1. The report and accounts for the year will be posted on February 5.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −	Div. Net Amount	Times Covered	Gross Yield	P/E Ratio
50c	F.P.	—	540	500	Ang.Am.Coal Corp.50c	510	.....	MQ58c	2.8	4.0	—
U.S.$	F.P.	—	$12½	$12¼	Brazil Fund S.A.	$12¼	.....	—	—	—	—
—	F.P.	—	£38⅛	£29½	Hughes Tool $1	£38½	−⅛	Q40c	—	0.5	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price	+ or −
‡‡£100	F.P.	19/3	134	126	Bowring (C.T.) 10% Conv. Uns. Loan 1987	130	−2
$100	—	—	99½	99	British Gas Corporation Ltd. Notes 1981	$99	.....
£98	F.P.	23/1	104½	99½	Essex Water 9% Red. Pref. 1981	104	−1
‡HK$100	50	—	£111⅛	82½p	Jardine Math. 7½% Conv. Uns. 1990	£111½	+1¼
$100	F.P.	—	100	99½	Norway 8¾% $ Notes 1981	100	
£100	—	16/2	103	92	Pentos 15% Conv. Uns. 1985	102	
‡50p	F.P.	17/11	60½p	46p	Stuglo 10% Cum. Conv. Pref.	46	
‡£100	F.P.	20/2	127	110	Tenneco 10% Sterling $ Conv. 91-95	127	

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −
10	Nil	2/2	1/6	18½	15½	Amber Day	16½pm	
100	F.P.	19/12	30/1	180	160	Anglo-Am Asphalt	172	
50p	Nil	—	—	13	10½	Baker Perkins	13pm	
25p	F.P.	11/12	3/3	146	94	Berisford (S & W)	137	
55	Nil	6/2	5/3	36	30	Brentnall Beard	34pm	
32	F.P.	21/1	20/2	42	36	Brooke Bond	42	
25p	Nil	—	—	2	2	Brown Boveri Kent	2pm	
100	F.P.	8/1	13/2	153	115	Eagle Star	157	
26	F.P.	5/1	30/1	61	58	Ellis & McHardy	58	
60	F.P.	19/3	20/2	75½	64¾	Fairey	74½	
57	F.P.	9/1	20/2	80	75	Green's Economisers	79	
50p	F.P.	26/1	12/3	70	60½	Lake & Elliot	68	
13p	Nil	—	—	10	9	Liner Concrete Machinery	10pm	
$1.50	Nil	30/1	13/2	165	125	Nat. Bank of Aust.	138pm	
60p	F.P.	9/1	13/2	73	64½	Plessey	73	
50p	F.P.	31/12	5/2	61	52	Pullman (R & J)	61	
10	Nil	6/2	2/4	4	3	Tomkins (F.H.)	4pm	
85p	F.P.	23/1	6/2	113	103	Trafalgar House	112	

Renunciation date usually last day for dealing free of stamp duty. ‡ Placing price to public. b Figures based on prospectus estimate. ‡ Dividend rate paid or payable on part capital, cover based on dividend on full capital. p** Pence unless otherwise indicated. a Forecast dividend; cover based on previous year's earnings. M Figures based on prospectus or other official estimate for ... ‡ Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ⊕ 20 S Afr cents. ‡ Issued by way of capitalisation. ‡‡ Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. † Allotment letters (or fully-paid). ‡ Provisional or partly-paid allotment letters. § With warrants.

ancontinental has $11.8 bn. in ranium reserves

ENNETH MARSTON, MINING EDITOR

oiluka uranium deposits alia's Northern Territory ontinental and the U.S. l are now claimed to be rld's largest uranium This results from latest on the east and south es of the Jabiluka No. 2 whose full potential has een established.

ika No. 1 and No. 2 are mated to contain 48.6m. ons of measured and l ore with a high average 7.8 pounds of uranium r ton, containing 189,600 s of uranium oxide. In there are an inferred ons or ore grading 7.6 and containing 39,680 s of uranium oxide. The double the last uranium serve estimate given in r and could have a value $U.S.11.8bn. (£5.6bn.).

real venture is still await ralian Government per to go-ahead. Engineering, nd environmental studies an advanced state and, overnment approval, Pan tal says that the property brought to production Getty Oil has a 35 per erest and the remainder by Pancontinental whose losed ½ up at a new high yesterday.

ETTER YEAR DIAMONDS

us optimism on 1975 sales prospects comes r. Harry Oppenheimer, n of De Beers. He points at much depends on the anticipated upturn orld economies will lise this year, but "there n to hope that the reces the U.S. is beginning to out."

while, he comments that confidence in the long uture of the diamond is underlined by the being invested in the new in the Maluti Mountains tho and at Lethlakane in a, both mines being due production in the second this year. De Beers were sterday.

MALCO HOLDS ES, BUT . . .

ew of the difficult market ons for aluminium, the Rio- group's Australian has maintained its ship of bauxite very well in spite a poor final quarter. lco's total production last mounted to 9.55m. tonnes ed with 9.27m. tonnes in ile bauxite shipments were tonnes (9.3m. tonnes) and primary aluminium production was 137,544 tonnes (140,981 tonnes).

Last year the big aluminium mining and refining complex, in which Conzinc Riotinto of Australia and America's Kaiser Aluminum each have a 45 per cent. stake, raised some $A38m. (£21.4m.) by share and note issues "for general corporate purposes."

This fund-raising included a 3-for-20 rights issue of shares at $A1 and it was stated that the new shares would qualify for the expected 1975 final of 3.75 cents which was to have followed an interim of 2.75 cents. However, a sharp down-turn in first-half earnings resulted in the anticipated interim being reduced to 1.25 cents on the old capital. The year's full results are due at any time now. Comalco were 165p yesterday.

TIGHTER BELTS AT CORONATION

A further reduction to R3.5m. (£2m.) in working profits for the current year to September 30 is forecast by the Lonrho group's South African Coronation Syndicate which had earlier anticipated a fall of R1m. to R4.5m.

At yesterday's Johannesburg meeting the chairman, Mr. S. C. Newman, pointed out that the latest forecast was based on gold at $130 per ounce, silver £2 per ounce, copper £585 per tonne and current exchange rates.

The Inyati mine in Rhodesia is to reduce its operations to a break-even scale and thus preserve ore reserves during the current period of low metal prices. Total capital expenditure of R2.2m. is anticipated and there is also a tax charge of R1.7m. in respect of 1974 to be met. Thus the current year's dividend prospects remain doubtful for Coronation which paid [illegible] cents for 1974-75. The shares were 120p yesterday.

GOLD SALES AT HIGH LEVEL

Despite a weakening bullion price, South Africa sold virtually all her gold production on the free market in the week ended January 23 during which the metal price reached a two-year low fixing of $124.25 per ounce.

This is indicated by Reserve Bank figures which show that the Republic's gold holdings rose during the week by R0.2m. to R327.5m., suggesting that less than ¼ tonne of gold was retained in reserves out of a notional production of some 14½ tonnes.

During the previous week, just over ½ tonne was held off the market while in the week before that the retention amounted to 1½ tonnes. After its recent bout of weakness the bullion price has fluctuated rather uncertainly but has tended to recover on balance and yesterday it closed $1.75 up at $128.75 per ounce.

Platinum still in doldrums

A COOL view of near-term prospects for platinum is maintained by Sir Albert Robinson, chairman of South Africa's Rustenburg Platinum Mines. Unless there is a "significant" turn for the better in platinum demand, Rustenburg's dividend for the

Sir Albert Robinson

current year to next August will be similar to the greatly reduced R5.45 paid for 1974-75; the previous year's total was R21.84.

Sir Albert concedes that there are signs of an economic recovery in the U.S., but not elsewhere. "This suggests that economic activity will not improve in real terms in the immediate future."

While industrial demand for platinum generally remains weak, Sir Albert says that Rustenburg's deliveries of metal to Ford Motor for use in exhaust emission control catalytic converters will rise to a level in the current half-year equal to the total for 1974-75.

Also on a more cheerful note, demand for platinum jewellery in Japan remains good while on the refining side an improved cost-cutting process will be applied by Johnson Matthey to part of Rustenburg's output this year. What can be added is that the big mine has huge ore reserves and spare capacity waiting to take advantage of the eventual recovery in platinum demand.

But the prospect of no recovery in their dividends this year weighed upon shares of the Rustenburg holding companies, Union Platinum, Waterval and Potgietersrust yesterday, the last-named losing 8p to 172p.

ROUND-UP

The Nigerian operating Amalgamated Tin Mines says that it has received reports that since January 19 there has been a withdrawal of labour at its properties in the Benue Plateau State, although no demands appear to have been submitted by the union. It is believed that there have been incidents of damage to buildings and plant, but official news had been delayed by communication difficulties with Jos.

* * *

Quieter conditions are reported from Bougainville Island in Papua New Guinea following the recent rioting by secessionists who are demanding $2.7m. royalties from the Rio Tinto-Zinc group's mine there. It is hoped that the cooling-down will now allow talks to take place between the PNG premier Mr. Michael Somare and the island's Father Momis.

* * *

Iron ore workers at Port Hedland in Western Australia have voted to strike with their colleagues at Newman who have closed down the big Mount Newman operation since last Thursday.

Ashdown Trust lifts total to3.05p

GROSS REVENUE of Ashdown Investment Trust increased from £687,686 to £716,819 in the year to November 30, 1975, and earnings per 25p share advanced from 3.17p to 3.32p.

A final dividend of 2.1p net, against a forecast of an unchanged 2.05p, lifts the total from 2.925p to 3.05p per share.

	1974-75 £	1973-74 £
Gross revenue	716,819	687,686
Expenses and interest	201,540	205,684
Revenue before tax ...	515,279	482,002
Taxation	181,816	173,352
Net revenue	333,463	308,650

Net asset value per Ordinary share was 143p (66p) including the full investment currency premium, and 143p (76p) assuming full conversion of the convertible loan stock.

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PLANT AND MACHINERY

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Enka sees some improvement

BY NICHOLAS COLCHESTER

WUPPERTAL, Jan. 28.

ENKA-GLANZSTOFF, the multinational chemical fibres subsidiary of the Dutch Akzo group, made a loss last year of "three-figure millions" of Dutch florins, the chairman, Dr. Hans Gunther Zempelin, told the Press to-day. This loss would compare with a profit in 1974 of Fls.90m., after tax and including substantial stock revaluation.

The chairman described 1975 as the most difficult year in the post-war history of the company. Turnover had been down to Fls.3.043bn., from Fls.3.693bn. in the previous year and Fls.3.391bn. in 1973. Chemical fibres accounted for Fls.2.234bn. of the 1975 turnover—a figure 20 per cent. below that for 1974.

Meanwhile, the company had suffered particularly from the fall in prices in the world fibre market. While the product price level had fallen by 8 per cent. between autumn 1973 and autumn 1975, the price of raw material and energy inputs, accounting for 40 per cent. of total cost, had risen by over 50 per cent.

—Enka's management reacted to this situation with a year of emphatic retrenchment. While shipments of chemical fibres were 17 per cent. down at 362,000 tons, production was 31 per cent. down at 318,000 tons. This meant that at one stage in April over half the company's workforce was temporarily laid off and that some production lines ran at below 50 per cent. of capacity as an average throughout the year. The result was that stocks of fibres were halved over the year, releasing some Fl.350m.

Investment, too, was cut right back, to Fl.180m., compared with Fl.293m. in the previous year and with depreciation in 1975 of Fl.215m. Workforce reductions are being continued under the terms of an agreement struck with the unions last autumn, after difficult negotiations. The 1975 workforce was 40,200, or 10 per cent. less than the previous year's.

The company has already sensed an improvement in synthetic fibre demand and is now producing at a much more satisfactory 85 per cent. of capacity. The management thinks that this turn for the better will continue into 1976 and that, with a little luck, Enka's shipments of chemical fibres will equal those of 1974—436,000 tons. A return to profit is, however, only possible if prices in the chemical fibre market become firmer.

Enka's problems are put into context by a report on the world chemical fibre market that the company circulated before to-day's Press conference. Production across the world last year totalled 10.4m. metric tons. This was 1m. tons below output in 1974 and was equivalent to the 1972 figure. Europe was the most seriously affected area in this development with chemical fibre production down by 19 per cent. to 2.57m. metric tons. The U.S. suffered an 11 per cent. fall to 2.965m. tons. Japan's output dropped 12 per cent. to 1.425m. tons. The rest of the world boosted its output by 6 per cent. to 3.400m. tons.

Synthetic fibre output was down by 6 per cent. to 7.15m. metric tons. Among the synthetic fibres, polyamide suffered a particularly sharp setback of 10 per cent., partly because of the weakness in the carpet business and tyre business. Output of acrylics fell by 6 per cent. to 1.3m. tons, whereas production of polyester fibres held steady at the 1974 level of 3.2m. tons.

Growth ambitions at St. Gobain

BY RUPERT CORNWELL

PARIS, Jan. 28.

THE ENGINEERING and chemicals concern Saint-Gobain-Pont-a-Mousson, France's second largest private industrial company, is hoping for a 10 per cent. real growth in turnover this year, after successfully weathering a recession-hit 1975. This optimistic forecast was made by the group's chairman, M. Roger Martin, to the Press to-day, on the occasion of the release of preliminary figures for last year. These, as might be expected, show a drop in estimated consolidated earnings to Frs.90m. from 1974's Frs.704m., and a virtual stagnation of turnover at Frs.21.1bn. (£2.3bn.). Nevertheless, an unchanged dividend is likely to be proposed.

In fact, the group has fared better than several of its French rivals, thanks to the spread of its activities, which have to a large extent cushioned it from the worst of the business downturn. Its total workforce only contracted by some 4,600 last year to 145,000, with more than half the cuts coming in West Germany alone.

For the third year running, gross operating profits topped Frs.2bn. at Frs.2.2bn., compared with the Frs.2.7bn. achieved in the boom conditions of 1974. Cash flow, however, dipped to Frs.1bn. from Frs.1.7bn., leaving a gap in investment financing which had to be met by Frs.600m. of extra outside borrowing

The weakened financial position of the group, and the over-capacity still afflicting some of its divisions are the main reasons for the reduction in capital spending planned for 1976. At barely Frs.1bn., such outlays will be well down on 1975s Frs.1.65bn., and far below the record Frs.2.7bn. spent in 1974.

Even so, as the statement pointed out, Saint-Gobain has invested over Frs.10bn. in the period 1971-75 of which only two-thirds were self-financed.

The mixed fortunes of last year are well illustrated in a sector-by-sector breakdown of the group. Turnover of the construction division, which includes the glass interests of the old Saint-Gobain company, fell by Frs.345m. to Frs.6.4bn., thanks mainly to the problems of the car and building industries of which it is an important supplier.

The outlook is also unclear for the piping and engineering division centred around Pont-a-Mousson SA, despite the strong performance in 1975 which saw sales rise from Frs.3.8bn. to Frs.4.4bn. Although signs of improvement are multiplying within France, foreign orders in particular have fallen sharply from the peak level reached at the end of 1974.

As far as packaging was concerned, 1975 turnover dropped to Frs.4.2bn. from the admittedly high Frs.4.4bn. reached a year earlier. The paper and cardboard side fared moderately well, but the bottling division was weak.

Not least of the factors arguing for recovery this year is the changed outlook for the Franc. In 1975 its renewed strength made inroads into repatriated revenues from foreign subsidiaries, but the prospects are if anything to-day exactly the opposite. A fall in the Franc's value would not only bolster foreign earnings but improve the competitiveness of the company's products on export markets.

As far as the contracting division goes, 1976 may see a modest improvement after last year's 14 per cent. growth to Frs.3.7bn. The Socea company, heavily involved in foreign business, seems well placed to show a further rise from the Frs.1bn. of sales registered in 1975.

Huels sales decline

BY GUY HAWTIN

FRANKFURT, Jan. 28.

THE HUELS chemicals group to-day announced that turnover last year fell by 21 per cent., well above the industry's average 11 per cent. decline. While no profit figures have been disclosed, it is unlikely that the group will be able to maintain last year's 22 per cent. dividend—up from 1973's 7 per cent. However, a double figure dividend is still expected.

Huels has out-performed its competitors at both ends over the past two years. In 1974, when the concern was able to sell everything it could lay its hands on, group cash turnover leapt by a breathtaking 52.7 per cent. while volume remained virtually unchanged.

According to the Huels statement, group turnover totalled DM2.3bn. compared with DM2.9bn. the year before. The proportion of overseas trade in group turnover dropped from 1974's 45.5 per cent. to 43.8 per cent.

The decline was slightly sharper in the parent concern, Chemische Werke Huels. Its turnover dropped by 22 per cent. from the previous year's DM2.54bn. to DM1.98bn. Exports as a proportion of the concern's turnover dropped from 43.5 per cent. to 41 per cent.

Dr. Karl Moenkemeyer, chairman of the executive board, attributed the heavy declines to the general economic down-turn in 1975. The trend had already been noted in the latter part of 1974.

During 1975, Chemische Werke Huels registered an 18 per cent. drop in demand, while the group as a whole suffered slightly less harshly with a 16 per cent. fall-off. Prices fell particularly heavily in the group's overseas business, said Dr. Moenkemeyer.

The low-point was reached in the third quarter, he said, but in the final months of the year there was a noticeable up-turn in demand. It was now possible to improve price levels for individual products, although not particularly heavily.

IMI lends L100bn. to Fiat

By Anthony Robinson

ROME, Jan. 28.

FIAT has just obtained a L100bn. 10-year financing from the Instituto Mobiliare Italiano on an effective 12.60 per cent. interest rate basis with the usual mortgage guarantee. The funds will be used to finance that part of the 1975-76 Italian investment plan of Fiat not covered by its own self financing capacity, a company spokesman said. Fiat Italian investments over this period are expected to amount to over L500bn. and historically Fiat's self financing capacity has covered around 80 per cent. of new investments. The funds are not linked to any particular investment project.

Meanwhile, workers at the Leyland Innocenti plant to-day blocked the main railway line leading into Milan for four hours this morning and thousands of workers from the Milan industrial area went on a sympathy strike against British Leyland's decision to send dismissal notices to Innocenti workers and white collar staff.

Industry Minister Carlo Donat Cattin has promised workers at Innocenti and at five other plants threatened with closure that in spite of the government crisis the government intends to introduce an emergency measure under which workers threatened by dismissals will continue to receive unemployment pay through a special L10bn. fund to be administered by the industrial "hospital" organisation GEPI.

Euromarket loans rescheduling warning

By Mary Campbell

FURTHER forced debt rescheduling of Euromarket loans to developing countries on a substantial scale may be necessary soon, one of the major Euromarket lending banks warned yesterday.

"Many loans organised during the hyper-active period of 1973-1974 carried grace periods of two or three years, during which borrowers had only to pay interest," First Chicago says in the January issue of its *World Report*. "Now the principle is beginning to become due. It will take a steep increase in commodity prices in 1976 to ease the extremely precarious position of many of these State borrowers, the bank suggests.

Among various examples, First Chicago notes that Brazil now has gross foreign debts approaching $22bn. he debt servicing on that is about $4bn. per annum, it says, or more than 40 per cent. of Brazil's total export revenues.

First Chicago comments on the hazard presented to Euromarket bankers by the tanker surplus. "Many borrowers in the tanker business are having difficulty servicing their loans," it says, commenting that there remains a considerable risk even where a vessel is chartered. However, it concludes that "a default on a well-secured charter remains a remote possibility."

In general, First Chicago thinks that the condition of the Euromarket has greatly improved since 1974.

It attributes the improved liquidity position of Euromarket banks to a change in the source of deposits. The OPEC countries, which in general preferred to keep their deposits at relatively short maturities, have been replaced by Continental Europe as the major source of Euromarket deposits. "The return of the more experienced Eurobanks to their former positions as major depositors has given the Euromarkets a considerably less conservative bent," the bank says. Hence the trend towards longer maturities in deposits, it suggests.

U.S. steelmakers sharply dow

BY JAY PALMER

NEW YORK, Jan. 2

AMERICA'S two largest steelmakers have both unveiled sharply lower 1975 earnings, in line with the world-wide recession affecting the industry. Both U.S. Steel and Bethlehem Steel reported increased rates of earnings decline during the final quarter of the year and steel shipments sank to new lows following price rises during the autumn.

Noting that the final three months saw shipments slip by over 30 per cent. to a year's low of 3.7m. tons, U.S. Steel said that its sales during the quarter fell by nearly 25 per cent. to $1.94bn. Net profits for the quarter dropped 33.8 per cent. to $111.6m. leaving earnings per share down more than $1.00 at $2.06.

Over the full 12 months, the giant steelmaker said that both its sales and its net profits fell by just over 11 per cent. respectively to $8.17bn. and $559.6m. Earnings per share came out at $10.33 against $11.64 in 1974. Steel shipments during the full year dropped very sharply by 31 per cent. to a 14-year low of 17.5m. tons.

Bethlehem Steel's performance more or less matched this pattern with profits dropping by 38 per cent. during the final three months to leave full year's earnings off 29 per cent. The company said that its fourth quarter sales dropped 20 per cent. on a continuing decline in steel shipments while net profits were $75.6bn. and earnings per share $1.73.

During the year as a whole, Bethlehem said its sales fell 7 per cent. to $4.98bn. while shipments came out 27 per cent. lower at 11.9m. tons. Net earnings were down to $242m. against $342m. in 1974 while the return per share dropped to $5.54 against $7.85.

After last week's equally depressing figures from a w... league of smaller steel ... panies and in view of the l... earnings reported earlier du... the year, these results from ... Steel and Bethlehem faile... produce much reaction on ... Street where the shares ... mained more or less uncha...

The apparently worse trend in earnings seen in ... final three months is b... largely discounted. First, i... generally recognised that ... steel price increases annou... well before they took effect, ... third quarter shipments inclu... a considerable amount of adv... buying. At the same time, ... steel sector as a whole gener... makes a number of signifi... year-end adjustments during ... final three months and ... apparent returns during ... period are usually not ... indicative of what really h... pened.

U.S. earnings help Gulf

FINANCIAL TIMES REPORTER

GULF OIL Corporation, on a preliminary basis, earned $700m. or $3.60 per share in 1975, a 34 per cent. decline on the record earnings of $1bn. or $5.47 per share in 1974.

Revenue for the year declined by 12 per cent. to $16bn. from last year's $18.2bn.

Fourth quarter earnings of $170m., or 88 cents per share, trailed the year-earlier results of $185m. (94 cents per share) by 8 per cent. Revenue for the three months ended December 31 was $4.2bn., 7 per cent. below the year-earlier $4.5bn.

"The most striking aspect of Gulf's performance in 1975 was the steady improvement throughout the year in earnings in the United States and the steady quarter-by-quarter decline in foreign profits," Jerry McAfee, Gulf's Chairman and Chief Executive, said. "As a result, 68 per cent. of our net income came from U.S. operations during 1975, in contrast to only 38 per cent. in 1974.

"Although we have ended one of the petroleum industry's most difficult years with the third highest earnings in our history, Gulf's return on shareholders' equity (11.2 per cent.), on capital employed (9.5 per cent.), and on sales (4 per cent.) all declined."

Gulf's capital and exploration expenditure during 1975 totalled approximately $1.5bn., down from record expenditures of nearly $1.7bn. in 1974. The decline was almost entirely attributable to a reduction in the quantity and quality of offshore Federal acreage offered for lease during the year. Of the total expenditure, Mr. McAfee said that approximately two-thirds was spent within the U.S. and on a worldwide basis, nearly 80 per cent. was spent for energy exploration and development.

U.S. petroleum earnings rose by 8.5 per cent. during 1975 to $459m. from $420m. in 1974, as the result of improved marg... on petroleum products, parti... larly natural gas and natural ... liquids. In the fourth quar... petroleum earnings also be... fited from a more favourable c... structure for imported crude ... increased to $139m. from $9... a year earlier.

A 10 per cent. decline in U... production during 1975 and ... 8 per cent. drop in refined p... duct sales held down the ea... ings growth. However, gasol... sales during the fourth quar... rose 1 per cent. from the ye... earlier period.

During 1975, Gulf incur... charges of $375m. associa... with the Federal Governmen... Entitlements and Import ... programmes. Such costs total... only $14m. during 1974. Th... charges, like all costs, had to ... borne by the consumer and G... was successful in passing o... substantial portion via ... market place.

Company Results

Procter and Gamble sales gain

Net earnings for Procter and Gamble for the first six months of the fiscal year amounted to $193m.—an increase of 11 per cent. on net earnings of $173.4m. for the same six months in 1974. Earnings per share were $2.33 compared with $2.11 for the previous period. Worldwide net sales were $3.1bn., a gain of 6 per cent. over sales for the first six months a year earlier.

For the October-December period—the second quarter of P and G's fiscal year—net earnings amounted to $86.6m., an increase of 10 per cent. over net earnings of $78.8m. a year ago. Earnings per share were $1.05 compared with $0.96. Worldwide net sales were $1.5bn.

Earnings per share for the two periods a year ago have been restated to include the effect of the extension of the last-in, first-out (LIFO) inventory accounting method.

● Grand Union has revealed third-quarter net earnings per share of 80 cents (44 cents). Net earnings of $5m. compare with $2.75m. and sales were $378.7m. ($396.4m.). For the nine months so far net earnings are $6.8m. ($5.6m.) and sales $1.2bn. ($1.16bn.). The results are not comparable, however, because of changes in both the company's fiscal year and reporting periods. Last year's figures are for the 39 weeks ended November 30, 1974, and this year's represent a 40-weeks period ending on January 3.

● Philip Morris has generated net earnings of $52.6m. ($42.2m.) in the fourth quarter. Sales were $971.8m. compared with $792.6m.

For the year, Philip Mo... showed net earnings of $211.6... ($175.5m.) and sales reach... $3.6bn., a sharp improvement ... last year's $3.0bn.

● Overseas Shipholding Gr... has raised its quarterly ... dividend on currently outst... shares to 5c from 3½c and ... a 4 per cent. stock divide...

"The decision to incre... cash dividend and to pay ... dividend," said Morten P. H... president, "was based on the ... ings we will be reporting fo... and on management's confi... in our company's future." ... company has reported incre... earnings annually since its ... public offering in 1970. In 1... net income was $27m., or $2... per share. In the first nine mon... of 1975, net income rose to $2... per share from $2.22.

Continental Illinois (UK) provisions

BY MARY CAMPBELL

CONTINENTAL Illinois Ltd., the London-based merchant banking subsidiary of the Chicago-based Continental Illinois, had to make further provisions against loan losses during 1975, it reported yesterday. However there further provisions for losses were more than covered last year by operating profit.

It is understood that virtually all the further provisions in 1975 relate back to 1974. Of the total 1975 provisions of £2m., over £1m. is accounted for by non-payment of interest on loans dating back beyond last year. Just under £1m. is accounted for by further provisions against losses of principal, mostly on loans for which some provision had been made earlier. It is understood that the latter £1m. provision has been made mainly in connection with a leasing transaction with Donaldson Airways, which went into liquidation.

The operating profit of the bank was £2m. in 1975 compared with £0.6m. the previous year.

Mr. John Porta, managing director of Continental Illinois Ltd., said yesterday that the value of loans not paying interest approximately halved during 1975. The bulk of the reduction was achieved by means of ca... sales of properties either own... by the bank's creditors or he... by the bank as collateral f... loans, rather than by write-of... against reserves.

Continental Illinois Ltd. w... one of the banks hit by the co... lapse of the Stern group in 197... This and other problems resulte... in a $15m. capital injection fro... the parent bank in Chicago ... 1974.

Total balance sheet assets ... the London bank rose fro... £125m. to £143m. last year. Loan... maturing after one year ros... from £42m. to £55m.

W. German chemicals to grow by a tenth

BY GUY HAWTIN

FRANKFURT, Jan. 28.

WEST GERMANY'S chemical industry is expecting an increase in turnover of about 10 per cent. this year. While this would put the industry's total sales at well over DM81m., they would still be substantially below 1974's DM83.5bn.

The forecast—made by Dr. Rolf Sammet, president of the Verband der Chemischen Industrie—follows a considerable improvement in performance over the past weeks. However, the president of the chemical industry association was at pains to point out that he did not see the slightest chance this year of equalling the high profits recorded in 1974.

Dr. Sammet said that chemicals remained a growth industry but high rates of expansion were a thing of the past. Growth until 1977 would be rather lower than the annual 6.6 per cent. real increase averaged between 1969 and 1974.

Despite the improvement in demand over the past weeks there was still some scepticism in the industry over prospects for the year. Recovery, so far, had been entirely in the home market and a recovery in export business was not expected until further into the business year.

The anticipated growth in 1975 turnover would allow an increase in capacity utilisation to between 75 and 80 per cent., Dr. Sammet agreed. This would permit only a small increase in prices—up to a maximum of 2 per cent.—but this would still be sufficient to ensure a measurable increase in earnings.

Despite the price rises, it was impossible to make up for the earnings decline in 1975. Profits in the first threequarters of the year were a full 60 per cent. below the level of the same period of 1974.

Improved capacity utilisation would not result in further recruitment of workers, said Dr. Sammet. But he predicted that there would be a considerable decline in short-time working in the industry. The total number of workers on short-time was likely to drop from 67,000 last October to about 20,000 in th... current quarter.

The improvement in the i... dustry's performance in the la... few weeks of 1975 was n... enough to forestall a heavy fa... in turnover. Sales totalle... DM74bn.—some 11 per cent. b... low the 1974 level. Output fe... even more sharply. It we... down by 13 per cent. to the lev... recorded in 1972.

Much of the fall in both ou... put and turnover was attributab... to a heavy downturn in expo... business. Overseas deliveri... dropped by a fifth or so... DM8bn. Traditional markets we... most heavily affected, with t... EEC, EFTA, Japan and the U... all showing above avera... declines.

The upturn in the chemi... industry is matched by optimis... reports from the textile indus... of a substantial rise in dema... towards the end of last y... Although production was s... stagnating orders in Novem... went up by about 11.8 per c... compared with the previous ye... This followed a 4 per c... increase in orders in October

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1983	102½	103¼
Ashland 8pc 1987	93½	94½
Australswiss 8pc 1987	92	93
Borregaard 8½pc 1989	96	97
Broken Hill 10pc 1990	104½	105½
Carrier 8pc 1987	92¾	93¾
Conoco 9pc 1996	99	100
Consol. Foods 7½pc 1991	89½	90½
Cutler Hammer 8pc 1987	93	94
EIB 8½pc 1983	101	102
ERAP 9½pc 1985	100¼	101¼
Esso 8pc 1986 Nov.	99¼	100¼
General Cable 8½pc 1987	90½	91½
General Motors 8½pc 1985	103	104
Granges 9½pc 1985	99½	100½
GTE 9½pc 1996	97	98
New Zealand 9½pc 1982	101¼	102¼
Pacific Light 8pc 1989	93¼	94¼
Prov. of Quebec 7½pc 1988	87¼	88¼
Quebec Hydro 8½pc 1989	99	100
Queensland 8½pc 1987	92¼	93¼
Scanraff 8½pc 1988	89½	90½
Shell 8pc 1988	99½	100½
Standard Oil (Ind.) 8½pc '88	100½	101½
Tenneco 7¾pc 1987	90¾	91¾
Transocean 8pc 1988	99½	100½
Utah 8pc 1987	95½	96½
Volvo 8½pc 1985	101	102
NOTES		
Air France 9½pc 1982	101¼	102¼
Ardal 9½pc 1980	101½	102½
Alls. Ind. Dev. Co. 10½pc '81	103	104
Barclays 9½pc 1982	100½	101½
Cie Natl du Rhone 10pc '82	103½	104½
Du Pont 7½pc 1978	101¼	102¼
Esso 7½pc 1979	100½	101½
General Motors 8½pc 1978	100	101
Montreal 9pc 1981	101¼	102¼
Nippon Steel 9½pc 1980	100½	101½
Norway 9pc 1980	102	103
Skand. Enskilda 10½pc 1981	104½	105½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	86	88
Ashland 5pc 1988	92	94
Beatrice Foods 4¼pc 1992	96	98
Beatrice Foods 4½pc 1992	107½	109½
Borden 5pc 1992	97	99
Broadway Hale 4½pc 1987	77½	79½
Canon Camera 7½pc 1989	104	106
Carnation 4pc 1987	84	85
Chevron 5pc 1988	101	103
Dart 4½pc 1987	87	89
Eastman Kodak 4½pc 1988	119	121
Economic Labs. 4½pc 1987	80	82
Eidal 7½pc 1989	78	80
Fed. Dept. Stores 4½pc '85	127	129
Firestone 5pc 1988	92	94
Ford 6pc 1986	[illegible]	94
Ford 5pc 1988	81	83
General Electric 4¼pc 1987	88	90
Gillette 4¾pc 1987	76	78
Gould 5pc 1987	86	88
Gulf and Western 5pc 1988	97	99
Harris 5pc 1992	74	76
Honeywell 6pc 1986	82	84
ITT 4½pc 1987	70	72
Komatsu 7½pc 1990	107	109
J. Ray McDermott 4¾pc '87	124	126
Mitsui 7½pc 1990	108	110
J. P. Morgan 4½pc 1987	111	113
Nabisco 5½pc 1988	94	96
Owens Illinois 4½pc 1987	99	101
J. C. Penney 4½pc 1987	92	94
Pioneer 8½pc 1989	195	200
Rank 4½pc 1988	68	70
Revlon 4½pc 1987	100	102
Sperry Rand 4¼pc 1987	96	98
Squibb 4½pc 1987	83	85
Texaco 4¾pc 1988	76½	78½
Toshiba 6½pc 1990	105½	107½
Union Carbide 4½pc 1982	123	125
Warner Lambert 4½pc 1987	92	[illegible]
Warner Lambert 4¾pc 1988	81	83
Xerox 5pc 1988	76	78

Source: Kidder, Peabody Securities.

H UNITA IN ANGOLA

Rivers are the best defence

BY STEWART DALBY, RECENTLY IN LUSO

he key eastern town on s-Angolan Benguela rail- eady bears the signs of ghest fighting the civil so far seen: 1,400 died, s there say, in the fight- h wrested the town from A and put it under Unita ast August.

s battered streets and led buildings could well ce worse. Luso is the last wn on the railway which ntrols north and east of the MPLA. They have der railhead town of da Sousa and a 200km. f the line west. Not only d MPLA, but neighbour- ia and Zaire, whose life- the sea, the Benguela be, are passionately d in the outcome of the his eastern front.

s Unita's military high- d for the east. Due north, s away, is one of the t Bucaco, a small hamlet y dirt roads (it is cur- he rainy season), two s, about 700 men, of ave set up camp and are e personal command of Samuel Chiwale, chief of he Unita forces and cur- mmander of the eastern d his second in command Smart Chata.

ont line is virtually on s of the Luchia river, bridge badly blown up IPLA in its retreat from unching behind rivers n up bridges is now a Unita tactic.

ind of defence is more in with the guerilla style which Unita (after seven the bush against the se) knows best. They that rivers, particularly fast-flowing ones (and wider and faster flowing r they get to the sea) good natural defence he armoured columns of ns and MPLA troops.

basis of what I saw at Unita are investing a lot in the power of rivers anks and armoured cars. really came as a was how short of weapons the front-line re and what bad defen- tions they appeared to have made. I saw only two B-40 anti-tank weapons, although there may have been more, as well as quite a few M79 light anti-tank weapons. There were a couple of recoilless rifles, but apart from this the two battalions' artillery consisted of mortars, 81, 107 and 120mm. They were hidden in the bush. As for camouflage for the troops, there were only flimsy little shelters made of branches and leaves, the kind of thing that children make in the garden in school holidays. There was not a single foxhole to be seen. Yet if it is true, as the colonel claimed, that the Cubans across the way were using 122mm rockets, foxholes would seem to be essential.

It may well be that we were not shown the real front line. The MPLA and their Cubans were said to be entrenched at Dala, another 25 miles from Bucaco, and across another blown bridge over the River Cassi. It is perfectly possible that between them and the Unita front line, there may have been some better-armed South African troops ready to fill the breach. Certainly the exchanges of mortar fire we heard seemed to be well in front of us, although this could have been the advance patrols or the flanks that Colonel Chiwale said he had sent out.

However, we did not see a trace of any South Africans in and around Luso or Bucaco. In the light of now confirmed statements that the South Africans are now being pulled out from the front, one is tempted to give the Colonel Chiwale the benefit of the doubt and accept that there are no significant numbers of South Africans in this theatre. Yet if, as Colonel Chiwale claims, there are now over 1,000 Cubans at Dala, together with MPLA soldiers and at least 15 T-54 tanks, the odds would seem heavily against Unita. (Lieutenant Smart Chata contradicts his chief, however, and says they are T-34 tanks and that there are only half-a-dozen of them.)

But if Bucaco was something of a shock, the front directly east at Lumage was alarming. All told we travelled 1,000 miles by very slow train, by commandeered car and truck, and on foot. The train, an old wood-burning puffer made in Glasgow in 1931, looked as if it had been lifted directly from a Hollywood western. At Lumage, we reached the end of the line. Just before Lumage a bridge is down, with its middle right in the river. Unita would not appear to have the means to fix the bridge for the moment so even if they manage to drive the MPLA out of Texeira de Sousa, Zambia and Zaire will still not have a life-line.

Clambering across the debris of the bridge after walking the final 2½ miles into Lumage, we found a Unita major in a state of distress. A patrol had gone out that morning and had apparently been ambushed by the MPLA, although he was not sure, he had only received a garbled message. Radio contact with headquarters and other areas was very unreliable. There was, for example, no radio contact with a battalion further south at Lumbala, yet this battalion was the southernmost flank positioned to prevent the MPLA *spreading south and forming a* buffer between Angola, Zambia and Zaire.

Unita, in fact, is short of almost everything. The movement is rumoured to receive money from all kinds of sources, from France, Kuwait, Saudi Arabia, Zaire and even clandestinely from the U.S. despite the Congressional veto, as well as from international companies. But it is very clearly, not *enough. Unita has 15,000 men* with small arms, but claims it could put another 15,000 in the field if it had the arms. Unita earns no foreign exchange of its own, and is acutely short of petrol and fuel.

Luso showed that this war is not just a case of an inferior force running away at the slightest provocation. Unita is obviously capable of standing and fighting. Its leaders are always saying "we have the support of the people." There can be no doubting the personal appeal of Dr. Savimbi, the enthusiasm of his soldiers and the general support he excites. Indeed, based on the backing of the Ovimbundu tribe, Dr. Savimbi's movement could well enjoy the support of 35 per cent. of Angolans. But if the South Africans have now decided that they cannot make the commitment it would need to contain the Russians, Cubans and MPLA, if they have decided their own front line is not the northern half of Angola, is the support of the people going to be enough to keep Savimbi's movement afloat? Political support of the masses is no defence against Russian tanks.

U.K. MERCENARIES FLY OUT

BY OUR FOREIGN STAFF

More than a hundred British mercenaries were believed to be among 180 passengers who flew to Kinshasa, the capital of Zaire, from Brussels yesterday. The men had earlier flown to Brussels from Heathrow. They mostly wore dark glasses and evaded the Press, but some confirmed that they were bound for Angola where they were going to fight against the MPLA. According to one report the men were hired by a Surrey-based company, Security Advisory Services. Among them was John Banks, a former paratrooper who has previously been associated with the recruitment of mercenaries. In the House of Commons an MP asked Mr. James Callaghan, the Foreign Secretary, to ban the recruitment of mercenaries for Angola.

udy yields little advice regional airports

ICHAEL DONNE, AEROSPACE CORRESPONDENT

)VERNMENT, which is ing the future of airports in the U.K., is ttle firm advice in the *udy from the Civil Avia-* thority, covering airports h Wales and the South- England.

Authority, for example, ifficult to decide whether r Glamorgan is the best for the future develop- air traffic in the region rts the issue of develop- airport on another site d be convenient for the a.

the few firm conclu- erging from the study e present airport system a is over-extended, with airports competing for available, and indivi- orts offering too wide f services.

dy does not suggest the f any specific airport. it stresses that the irports such as Exeter, Newquay, St. Mary's, Haverfordwest and *should* continue to freely to meet pre- y local needs.

It suggests that there is not likely to be a continuing role for both Southampton and Hurn airports.

Southampton on *balance* appears to have the better prospects, but the report says that until agreement has been reached between the owners of the airport and the local authorities on the terms for its development, "no steps should be taken which would prejudice the future position of Hurn."

Unrealistic

Commenting on the future of Glamorgan's Rhoose Airport, the study says that any suggestion of abandoning it in favour of Bristol is unrealistic in the light of its importance to the economy of South Wales and the apparent willingness of the local authorities to support it.

As to Bristol, its development to cope with 1.5m. passengers a year would cost £10m., and it is difficult to make a convincing case for the outlay unless the *Government decided to use it as* a major diversionary airport for London.

"Until, therefore, the future role of Bristol in relation to the London airports has been clarified, it is premature to offer firm advice."

Nor is the study at all helpful on the possible development of Filton, near Bristol, as the sole major airport for the region.

While it would have several advantages, such as being close to the M4, with a direct link to the Severn Bridge, it has some disadvantages, such as its being a manufacturer's airfield, with no civil facilities, and the possibility of some environmental *problems if its development* were to be undertaken.

"Should the Government eventually decide there is a case for designating a single airport to serve the whole of Severnside (as the Authority does not advise) it might then be appropriate to reconsider the merits of Filton in this role."

Copies of the study—Future Airport Development in South Wales and the South-West of England—are obtainable from the Civil Aviation Authority, price £2.

Confidence grows in W. Midlands

By Peter Cartwright, Midlands Correspondent

FOR THE first time in two years, business activity in the West Midlands is beginning to increase significantly.

Sales and orders are going up and there are signs of a resurgence in investment in plant and machinery.

These pointers to growing confidence are in a survey by the West Midlands chambers of commerce group, covering the last quarter of last year.

"It seems that the workshop of the country is now picking itself off the floor after the *catastrophies of the past couple* of years," Mr. George Greaves, chairman of the group, said yesterday.

But he warned that continued control of inflation was essential if the renewed confidence in investment was to survive.

Unemployment is still expected to grow, but at a slower rate, with signs that it may begin to fall by early summer.

Export orders are on the *increase for the first time* in two years for a growing number of companies.

Would Scotland and Wales benefit by gaining control of industrial policy, as the extreme nationalists claim? The truth, argues **Douglas Jay, MP,** is the exact opposite. Only by retaining direction from London can jobs be created in the areas that need them most and relative unemployment levels reduced.

Economic myths in nationalist calls for separation

BP's Grangemouth refinery and chemicals plant: built, like so many industrial complex[es in] Scotland and Wales after a Government-backed decision taken in London.

THE NEXT stage of the devolution debate is likely to turn on the demand for more economic and industrial "self-government" in Scotland and Wales. If most of us are agreed that devolution of some kind is inevitable, but that separation would be disastrous, this call becomes the crux of the argument.

Irony

The irony is that the basic assumption of the extreme nationalists—that Scotland and Wales would benefit by isolated control of industrial policy—is, though no doubt all too sincere, a pathetic illusion. If it were true, incidentally, the same would also apply to the North East coast and Merseyside. But in reality it is the precise reverse of the truth. If the Government in London gave up its responsibilities for issuing Industrial Development Certificates, for "steering" new projects, and for financial assistance, Scotland and Wales would soon be far worse off in terms of employment and new industry than they are now.

The whole experience of the Development Area Policy since 1945 (in the planning, launching and operation of which I have had, with others, some share) must convince any dispassionate observer that, but for the central drive, co-ordination and finance which London supplied, Scotland and Wales (and the North East and Merseyside) would be suffering much higher—probably twice as high—unemployment than they do. For the system worked best (in war-time too) when central drive was combined, as it progressively was, with the maximum practical devolution.

Almost all the facts and figures (as opposed to the propaganda myths) confirm this. First, the initiative for establishing the post-war industrial estates, which did most to infuse new types of industry, came from London. In Wales, the proposal to convert Bridgend and Hirwaun Royal Ordnance Factories to major industrial estates originated in London while the Swansea estate was suggested by the town's local authority and backed by the Board of Trade in London. All were constructed and managed by Welsh Industrial Estates in Treforest. Among major private ventures, British Nylon Spinners (now ICI Fibres) was steered to Pontypool, Hoover to Merthyr, and Mettoy, Ford and, later, Morgan Crucible to Swansea by the Board of Trade in London. So were scores of smaller companies, while the Mint was moved to the Llantrisant Estate in the 1960s by a Cabinet decision.

In Scotland the highly successful Dundee and Newhouse Estates, and the smaller ones in Lanarkshire and elsewhere, were originally prompted by London, with the sites chosen and construction and management wholly organised by Scottish Industrial Estates at Hillington. Even more important, the large-scale projects by front-rank international firms — National Cash Register, Honeywell, Caterpillar, IBM, British Motor Corporation (as it then was) at Bathgate, and others—which have done so much for Scotland—were in most cases steered there because of the refusal of an Industrial Development Certificate in the South or the Midlands. I must plead guilty—if guilt it was—to persuading Pressed Steel in 1945 to take the original Linwood factory instead of going in for large-scale expansion in Oxford, where an IDC was refused. BP (then Anglo-Iranian) went to Grangemouth as a result of a decision by the main board in London backed by the Government.

Crucial

In all this, the Scottish Council on Industry gave valuable help. But it was the IDC system that was crucial. Unless someone at the centre refuses an IDC in a relatively prosperous area, and urges the company concerned to move to or expand in a needy area like Scotland or Wales, the needy area will be disastrously worse off. Is it really suggested that a Scottish or Welsh Parliament or "Executive" should grant or refuse IDCs in the Midlands and London? Even long-suffering London MPs might turn at that.

Since 1945, the new industries brought in to Scotland and Wales by combined central and regional effort have — as intended — very largely offset the huge and accurately foreseen decline in employment in the older industries. The coal industry labour force in Scotland fell from 90,000 in 1948 to 29,000 in 1974. But the numbers employed in Government-owned factories alone (not counting steel) rose from 26,000 to 82,000. That omits all the new privately-owned projects and, therefore, at least half the new employment. The square footage of Government-owned factories in both Scotland and Wales rose nearly tenfold in the period. All this is, of course, one main reason why unemployment in Scotland, as a multiple of the national average, has declined in recent years (from double the national average in 1965 to 68 per cent. more than it in 1973).

In Wales, the fall in employment in coal has been even more dramatic: from 136,000 in 1948 to 39,000 in 1974. But employment in Government-owned factories simultaneously rose from 14,000 to 67,300 (and this leaves the vast steel enterprises at Llanwern, Port Talbot, Trostre and Velindre, all built since 1945, out of account). In Wales too, despite the huge exodus from coal, unemployment declined as a multiple of the national average between 1965 and 1973 (from 73 per cent. more to 36 per cent more). Even net emigration from Wales has, in some recent years, been turned into net immigration.

Failures

Not merely was the great bulk of new employment brought into Scotland and Wales from outside but, in addition, there were continued scarcities of and failures in native industrial enterprise in Scotland and Wales themselves—something the Scots and the Welsh seldom mention. Those of us responsible were always looking for local enterprise in vain. Almost all those companies which pioneered the major new enterprises came either from the Midlands and the South East or else from the U.S., steered there by the use of IDCs and financed and persuaded by the authorities in London. Meanwhile all too many companies already in Scotland were threatening to collapse and calling to London for help. Representatives from Fairfields (now Govan Shipyard) called on me at the Board of Trade on a Tuesday in 1966 and explained that they could not pay wages beyond Friday. The Government in London saved them. So it was with John Brown — not to mention Rootes and then Chrysler.

The same conclusion is forcibly confirmed by experience with Northern Ireland. Because Northern Ireland has a separate Government and separate Ministry of Commerce, I confess to having felt, when mainly responsible for Development Area policy, a rather less direct obligation to the Province than to Scotland, Wales and the North East.

Deception

Though constantly making good resolutions, one tended, when in doubt, to give the preference to Scotland and Wales because one had full responsibility for success or failure there. That is one main reason why unemployment has been higher in Northern Ireland than in Scotland and Wales ever since 1945. Since administrators are human, that is how administration works in real life.

So the hard truth, as [opposed] from the political myth, is that Scotland and Wales [have] been saved from disaster by the new industries, and without a united U.K. effort should not have got them. To pretend otherwise, however sincerely, amounts to a deception of the Scottish [and] Welsh people. Break the [link] and separate the control of IDCs from the job of development and you [will] within a few years get far greater unemployment in Scotland and Wales, which are already handicapped by remoteness from the centre of the EEC. North Sea oil [will] not basically alter this, because even in Scotland, the main [need] is not simply finance but industrial enterprise. The [best] chance of preventing further decline is to ally in full partnership the maximum of central initiative and co-ordination with the maximum of administrative devolution. Is it too much to hope that enough Scottish [and] Welsh people will understand this before irrevocable mistakes are made?

The author is the Labour [MP] for Wandsworth, Battersea.

CRICKET — BY TONY COZIE[R]

Australians take 45 minutes to mop up West Indians

ADELAIDE, Jan 2[8]

AUSTRALIA took less than 45 minutes to complete their assignment in the fifth Test against the West Indies here this morning.

Their victory by 190 runs extended their lead in the six-Test series to 4—1 and emphasised yet again their massive superiority.

The defeat, more than any other in the series, left the West Indies in a deep state of depression from which they are highly unlikely to recover during the sixth and final Test starting in Melbourne on Saturday. For most of the five days, they were a pathetic sight, clearly lacking spirit and incentive.

Over the years, West Indian cricket has been noted for its rapidly changing moods. This year has done nothing to alter that reputation.

Seven months ago, the same team was on top of the world after beating Australia in the final of the Prudential World Cup at Lord's. They were confident, strong in every department and virtually unbeatable.

They started the present tour with great expectations. The series was given widespread advance publicity and generally billed as being for the "unofficial world Test championship."

The two teams were, on paper at least, strong and evenly matched and it was only logical to expect a keen, closely-fought contest.

When Australia won the first Test and the West Indies responded by taking the second by the resounding margin of an innings and 87 runs, the stage was set for a climax that would be a tribute to the pre-series propaganda.

Instead, Australia have won three Tests in succession with resounding ease — by eight wickets, by seven wickets and by 190 runs.

The West Indian challenge has rapidly disintegrated into nothingness and they have been made to look a bunch of meek, cricketing weaklings.

The main difference between the teams has been in their batting. While the West Indians have not been able, in the last three Tests, to come to te[rms] with the fast bowling of Thomson, supported by Li[llee], Walker and Gilmour, Australians have stemmed [effi]ciently the threat of Ro[berts] and Holding.

The West Indies bats[men] have consistently scored t[heir] runs faster and more attracti[vely] than the Australians. But t[heir] approach has lacked applicat[ion] and discipline. In nine innings they have managed to [put] together a winning total o[nly] once—585 at Perth. Otherw[ise] their approach has been glarin[gly] out of place in Test cricket.

Greg Chappell, the Austral[ian] captain, has generously at[tri]buted the West Indian mal[aise] to a surfeit of cricket. Wri[ting] in his newspaper column to[day] he asserts that they have had [so] much cricket that it is affect[ing] their mental approach.

If that is the case, they fac[e a] trying time during the next [few] months in which they play f[our] tests against India at home a[nd] five in Britain against Engla[nd]. Unless they can pull themsel[ves] together, it could be a disast[rous] period for the West Indies.

APPOINTMENTS

Bestobell Group post

Mr. Graham Woodhead has been appointed managing director of BESTOBELL MOBREY, part of the Bestobell Group. He succeeds Mr. Leonard Hedges, who is taking up a new appointment in the group. Mr. Woodhead joined Bestobell in 1972 and has been managing director of Bestobell Seals.

★

Mr. James T. Rees, previously chief executive of Winthrop Laboratories production division, has been appointed managing director of Sterling Organics, the chemicals division of STERLING-WINTHROP GROUP.

Dr. Alan Adamson has been appointed chief executive of the Winthrop Laboratories production division in succession to Mr. Rees. He was previously senior production director.

★

Mr. Ronnie Aitken has been appointed chairman of BRITISH STEEL CONSTRUCTIONS (BIRMINGHAM). He succeeds Mr. R. A. Dickinson, who remains on the Board. Mr. Aitken is a senior partner of Binder Hamlyn and Co.

★

Mr. O. A. Hughes has been appointed managing director of BAHCO VENTILATION, the British subsidiary of AB Bahco Ventilation of Enkoping, Sweden. Mr. Hughes is already managing director of Bahco Tools.

★

Mr. John Norton has been appointed a director of EURO-SEAS SECURITIES.

★

Professor R. N. Haszeldine is to succeed Lord Bowden as Principal of the UNIVERSITY OF MANCHESTER INSTITUTE OF SCIENCE AND TECHNOLOGY. He will take up his appointment in September at the beginning of the next academic year. Professor Haszeldine is at present head of the Department of Chemistry at UMIST.

★

Mr. Richard Kelsall, who was head of public relations from January, 1968, to April, 1972, when he joined John Laing and Son, will rejoin the GKN Group on May 3 as corporate staff director—public relations. Mr. Ralph Smallwood, at present deputy head of public relations, will become head of public relations on February 1. Mr. Paul Jennens, adviser on public affairs, will continue in overall charge of public relations until Mr. Kelsall's return and will thereafter continue for a period as adviser on public affairs in a personal capacity to the group chairman.

★

Mr. George Ashton has been appointed a director of PATERSON PRODUCTS. He will continue as general manager in addition to his Board responsibility.

★

Mr. John R. Brookes has been appointed managing director of LAWRENCE COLLATERAL SERVICES to succeed Mr. Arthur R. Adams, who is returning to the parent company, Lawrence Systems, Inc., San Francisco.

★

Bowker and Ball (Successors) reverted to its original title of BOWKER AND BALL. Mr. F. Bickerdike, Mr. J. W. Clark and Mr. J. Pogson have been appointed production director, secretary and sales director respectively.

★

Mr. J. S. White has been appointed managing director of A. S. ORR, part of the Carrington Viyella menswear division.

★

Major General Ian S. Harrison, chairman of the British Food Export Council, has been appointed a director of the LONDON WORLD TRADE CENTRE ASSOCIATION.

★

LESNEY PRODUCTS AND CO. has announced the appointment of Mr. R. E. Martin to the main Board from February 1. Mr. Martin was previously divisional director of production and deputy chief executive of the toy products division.

★

Mr. M. J. Bentley, Mr. G. K. Elliott and Mr. A. K. Stewart-Roberts, who are executive directors of S. G. Warburg and Co., have been appointed to the B[oard] of MERCURY SECURITIES.

★

Mr. Suliman S. Olayan [has] been appointed a non-execu[tive] director of AMEX BANK, [the] London-based merchant bank subsidiary of American Expr[ess] Company. Mr. Olayan is chairman and president of the Ola[yan] Group, which comprises Gen[eral] Contracting Company and Gen[eral] Trading Company in Sa[udi] Arabia, General Transportation Enterprises in Kuwait, Arab Com[mercial] Enterprises and the M[iddle] East Business Development Com[pany]. He is also on the Boards of Saudi Arabian Airlines, Riyad Bank, Saudi Arabian Ferti[liser] Company and a number of other Middle East and internati[onal] companies, and is an internati[onal] adviser to American Express Com[pany].

★

Mr. W. C. Woodman, at pres[ent] a general manager of MIDLA[ND] BANK, is to be an assistant ch[ief] general manager. Mr. R. Gr[...] at present regional director, the West Midlands, is to be general manager. Both appointments are from March 1.

★

Mr. J. L. E. Smith, a director [of] Coutts and Co., has b[een] appointed a director [of] NATIONAL WESTMINST[ER] BANK'S Eastern Regional Boa[rd].

★

Dr. J. T. Harvey, mana[ging] director of British Acheson [Elec]trodes, and Mr. J. L. C. [...] deputy chairman and chief ex[ecu]tive of Redfearn National G[lass] have been elected to the Y[ork]shire, Humberside and North [Lin]colnshire Advisory Board of [the] BRITISH INSTITUTE OF M[AN]AGEMENT. Mr. J. H. D[...] director and group personnel [man]ager of Head Wrightson, has been elected to the Nor[thern] Advisory Board of the BIM.

★

Mr. Richard F. Rawlins has appointed managing direct[or of] MACREADYS-GLYNWED DI[STRI]BUTION pending the retirement [of] Mr. Arthur Langrish later [this] year. Mr. Rawlins remains [direc]tor of the Bright and All[oy] Division of Cashmores-Gl[ynwed] Distribution.

BOOKS

Blasting off

BY C. P. SNOW

Satire: Selected Literary Criticism of Wyndham Lewis. Edited by C. J. Fox. ... 272 pages

Orwell: The Critical Heritage. Edited by Jeffrey Meyers. Routledge and Kegan Paul. ... 392 pages

...s a revelation and a ... to discover how ... and powerful a critic ... Lewis was. This book ... extracts from his ... writing from the 1920s up to his death at the age ... in 1957. One could have ... some of these extracts to ...ger, but the evidence of ...tical insight is clear and ...tive. He was not only ...ul, but underneath the ...us jocosity and knock... manner usually very ...e. That was the biggest ...e of all.

...he generation to which I ...ed, one later than Lewis's, ... a symbol of many of the ... we most disliked. He ...d to embody the most dis...ble features of the ...rnist" movement which, ... Connolly, we couldn't take ... entirety. For us much of ...n't an emancipation of art ...ch as what had happened ... in Alexandria, a typically ...ate declension. It didn't ... us either that in the ... when we expected to be ...g to save our skins, nearly ... most eminent modernists ...n sympathy with the other ... Lewis, as usual more direct and braver than others, openly proclaimed his belief in the virtue of Hitler. We didn't like their behaviour and their style.

After reading Mr. Fox's selection, I wish that I had been juster to Lewis—though I did admire his late work, the novel *Self-Condemned* and the long essay *The Demon of Progress in the Arts*, and wrote about them. But until now I didn't recognise the power and range of his mind. I expected him to be a man on his own, the type specimen of an outsider, and that was fair enough. But he was much more. First of all, he was a genuinely creative man, of a strange lonely kind. He was probably a better painter than a creative writer. The reason is rather odd. Everything he did in painting or words is direct and emphatic. In portrait painting that worked. In novel writing, on the whole, it didn't. Each sentence he wrote carried his own heavy signature. *There hasn't been more definite English written in our time.* But there is a penalty attached to making each sentence ring like that.

The reader admires the sentence—how clear, how crashing, how individual. The reader admires the next sentence, and the paragraph. But he doesn't much want to turn the page. Brilliant loud-voiced writing of such a kind starves a work of its *narrative glue, and perhaps of* its human glue as well. His novels have been much admired by people who don't often lose their heads, and there have been many attempts to get them more than a handful of readers. I find it hard to believe that such attempts will be successful.

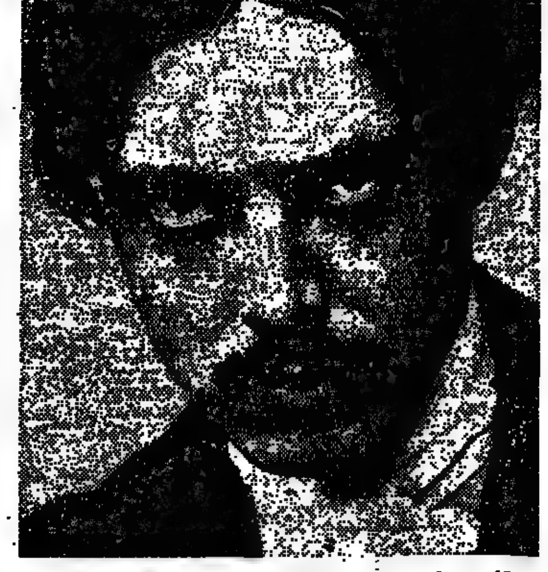
That particular spasmodic quality doesn't harm his critical writing. The clarity is valuable, and a bit of shouting, rhodomontade and savage fun doesn't matter. The reader is in the presence of a clever man and in a patchy way a well-informed one. Much more important, the reader is in the presence of a creative man, who really does know what the creative life is like, with its luck, foolishnesses, intentions that don't come off, false attitudes, and phases of truth. The most interesting criticism has often been written by creative people, even in their off moments. Sometimes they can be very silly. Think of the number of eminent writers who have pointed out that *Hamlet* is a very bad play. Yet even asinine remarks like that have their own interest, and now and then such critics know things which only a creative performer can.

Lewis was looking for a classical or more precisely an anti-romantic art. This sometimes led him to discover it when it wasn't present, as in Hemingway, whom he much over-valued. For similar reasons, he also over-valued Flaubert. He is very good on Tolstoy and Dostoevsky. It turns out—another surprise—that they were the great literary *influences of his life, read in* Paris when he was a young man. He had an instinct for political writing in a profound non-Parliamentary sense, and of course saw the depth of this in Dostoevsky. He was equally sharp-eyed about its absence in Conrad. He had great authority in penetrating underneath veneers.

Matthew Arnold was very nearly his favourite poet, a taste which many of us now share. He is vitriolically funny about the cult of mindlessness in Lawrence and others, and still had respect for Lawrence's gifts. He wasn't particularly good at noticing the elements of sheer delight which are part of some of the greatest literature. His temperament was too clear-edged and harsh for that. But a much fairer critic than most, and a far more formidable one. This book is a minor education.

Towards the end of his life, in Miltonic blindness, he seems to have become more tolerant and wider minded. The passages from *The Writer and the Absolute* (1952) show an extension of sympathy to writers whom earlier he would have satirised. The fundamental power of his mind was given full play, for instance, in his account of Sartre. He shows some of the old Adam in sardonic amusement about Malraux's histrionic displays. As for George Orwell, no one has understood him better or written about him more wisely. This was just the kind of semi-abstract political writing that Lewis knew like the palm of his own hand.

The latest in the admirable Critical Heritage series is devoted to George Orwell. Anyone who has tried to investigate a writer's history knows what a benefaction this series can be, and Dr. Myers' volume looks as well-researched as any. That can't have been easy, for the literature on Orwell—a lot of it for non-literary and ideological reasons—is enormous. Curiously enough, Dr. Myers, in what must have been a labour of scholarly love, has overlooked Lewis's piece. Orwell-fanciers will, therefore, require both the books mentioned in this review.



Wyndham Lewis and his drawing of James Joyce (1920) reproduced in "Transition 1927-1938" by Dougald McMillan (Calder and Boyars, £8.50), a history of the the Paris-based literary magazine edited by Eugene Jolas

Overtures in 1812

BY PHILIP ZIEGLER

The Journals and Letters of Fanny Burney edited by Joyce Hemlow with G. G. Falle, A. Douglas and J. A. B. de Charbonnière. Volume V West Humble and Paris 1801-1803 Oxford. £17.00, 467 pages. Volume VI France 1803-1812. Oxford. £13.50, 425 pages

These latest two volumes in the series, edited with magisterial skill and thoroughness by Joyce Hemlow and a swelling band of assistants, take the story from 1801 to 1812. They open with Fanny Burney, now eight years married to the royalist emigré, General d'Arblay, temporarily deserted by her husband who has profited by the Peace of 1801 to return to France. He hopes to be reinstated in the French army and is offered a place with the expedition fitting out for San Domingo to suppress the rebel government of Toussaint-L'Ouverture.

M. d'Arblay, however, staunchly refuses to re-engage except on condition that he should never be asked to take up arms against England, the country of his wife, which sheltered him for nine years. To Napoleon this verges on treason and d'Arblay has to make do with a miniscule pension and a dreary job in the civil service. By the time his wife and child join him it is clear that they will have to survive in poverty. The renewal of the war finds Fanny still in France and it is 1812 before she takes sail in an American ship for England.

There are some excellent things to be found in these volumes, in particular in the journal-letters which Fanny wrote her father from Paris before the war forced her to ration and censor her correspondence. Her description of the great Review of May, 1802, is a model of perception and wit, bringing the various participants to life in a few masterly phrases: Napoleon himself, his face "pale even to sallowness, while not only in the Eye, but in every feature, Care, Thought, Melancholy, and Meditation are strongly marked"; the lady—"short and thick and sallow, with little sunk Eyes, a concise Nose, and a mouth that her constant smiles seemed literally extending from Ear to Ear"—who, when Fanny expressed pleasure at the sudden appearance of the sun, exclaimed with some contempt, "Est-ce que vous ne savez pas cela, Madame? Dès que le premier Consul vient à la Parade, le soleil vient aussi!" Few can fail to be moved by the account of the returned emigrés wandering wistfully around their long-requisitioned palaces. A gruesome description of her operation for breast cancer provides a vivid portrait of medical methods at the time.

But such highlights are rare. On the whole these were depressing years for the d'Arblays and this is reflected in their letters. They were always much preoccupied by illness. "De grace, ma bonne amie, soigne ta santé," urged M. d'Arblay; "Repay me by added care and caution of that health which is MINE in the fullest sense," responded Fanny; yet the only sick member of the family at the time was their son Alex who had a cough and worms. For the latter complaint his mother dosed him with sulphur, cream of Tartar and honey—a fortunate choice, since when the doctor was called in he pronounced that these were sovereign remedies for the cough as well and needed only the addition of turnip juice to be irresistible. Sure enough, Alex was back on artichokes and mutton chops within a day or two.

The prevailing impression left by these letters is of the affection which the d'Arblays felt for each other. "I miss you every hour—I think of you every moment. In all where you are not there is a blank—a void . . ." wrote Fanny, when they were separated in 1812. "Amie de mon coeur," replied d'Arblay, "toi qui dois si bien savoir et qui sais surement que tu es et que tu seras toujours tout pour moi . . . ." It is a touching saga of love and loyalty which burnt as strongly after 20 years privation as in the hectic moments of their first acquaintance.

...ion

...n her own

BY MARTIN SEYMOUR-SMITH

...l Conversations by May ...on. Gollancz, £3.20. 156 ...s

...Day of Chaminuka by ...liam Rayner. Collins, £3.50. ... pages

...Out the Raj by Dennis ...tle. Bailey Bros. and ...nfen, £3.50. 283 pages

...shade by Derek Marlowe. ...denfeld and Nicolson, £3.75. ... pages

...n, Ashes by Danilo Kis. ...nslated from the Serbo... ...at by William J. Hannaher. ...rcourt Brace Jovanovich, ...5. 170 pages

... Sarton, who was born in ...m in 1912 and became a ...ised American citizen at the age of 12, has hardly received the recognition she deserves outside the U.S. There she is the subject of a book—and her *Collected Poems* appeared in 1974. Only one of her 14 novels has gained international prestige: *Faithful Are the Wounds* (1955), a moving fictional account of the life and suicide of the Harvard teacher and critic F. O. Matthiessen. Her fiction is interesting for its combination of rawness and control: as she put it in a poem, "Unbuttoned ego, I have staked/My life on controlled native powers;/My garden, so untamed, still has not lacked/its hard-won flowers."

Crucial Conversations, a short novel, is about a wife's sudden and apparently inexplicable decision to leave her husband after 27 years of marriage. Her reasons are, in fact, ones not wholly ignored in the 1970s: marriage has frustrated her individuality, forced her into a perpetual state of guilt—and into anger at the way in which her husband, like most men, compartmentalises his life.

At first the reader may feel that May Sarton has treated this now almost classic theme in an unsatisfactorily banal manner; there are, indeed a few awkward and clumsy passages. But the final effect is one of unfamiliar directness of utterance; the lack of sophistication of the narrative is deliberate. The author has largely succeeded in stripping the subject of its modish trappings. The end is peculiarly suggestive. And the Flaubertian detachment with which this tragedy is treated is technically impressive and effective.

William Rayner was in Rhodesia at a crucial period (1956-60), and his first novel, dealing with the subject of the problems of de-colonialisation, is one of the most balanced and imaginative of its kind. His "Wild West" trilogy, although somewhat of a *tour de force*, was not as good. With *The Day of Chaminuka* he returns to Africa and its problems—and to the top of his form. The story, set in the present, concerns the ageing Ben Holt, who farms deep in the Bush and who cannot see any good reason to alter the way of life to which he is accustomed. But he becomes deeply involved: his widowed daughter-in-law, who believes he has ruined his son's life, comes out to Africa to question the very foundations of his existence—and two African revolutionaries, one of them a dangerous fanatic, seek to draw him into the conflict between the new and the old Africa.

An essentially private man, he none the less discovers a sort of moral triumph. The author's taut, laconic style enables him to set this triumph into relief, and provides the reader with more intellectual stimulation than any non-fictional account of the complex, indeed morally agonising, subject. His knowledge of Africa, remarkably well assimilated, is evident on every page.

Dennis Castle's amusing novel *Run Out the Raj* is set in the India of 1945, and concerns the desperate attempts of both Indians and British to see to it that a cricket fixture between the two "sides" will, even if postponed, be observed — even though some reactionary officers refuse to countenance the notion of playing Indians.

The comic basis gives Dennis Castle the chance to bring out more serious issues: corruption, missionary opportunism (on the *part of an American*), the hazards of pursuing erotic objectives in an explosive situation. This is not a profound analysis of the situation in India in the period preceding independence; but, so far as it goes, it is both instructive and enjoyable.

Derek Marlowe's *Nightshade* has a genuinely sinister plot: the results of a tropical holiday taken by Edward Lytton (knowing this author, one assumes that the name has significance) and his virgin wife of four years. The dialogue is brilliantly successful; but much of the *frisson* is destroyed by the feebly realised narrative sections of the book. But Derek Marlowe has faced a formidable problem here: that he has solved one half of it is tribute to his seriousness.

The Yugoslavian Danilo Kis, born in 1935, has been primarily inspired by his hatred of war. *Psalam 44* (1962) is the most powerful Yugoslavian account (in fictional form) of the sufferings of the Belgrade Jews under the Nazis. He has also written plays. *Garden, Ashes* (published in 1965) is an autobiographical novel of his childhood; it is less concerned with the political background than with the author's father—a man who might have come from the pages of Dickens or Balzac, and who is *yet made credible*.

For Eduard Scham, as he is here called, is a kind of answer to the terrors of totalitarianism: he may be a semi-lunatic megalomaniac and compulsive traveller, but he has dreams. No better Serbian writer since Bulatović has been introduced to the English-speaking world; and Kis has more potential.

William Rayner: farmer's fury

Lost leader

BY BRIDGET BLOOM

From Rhodesia to Zimbabwe by Lawrence Vambe. Heinemann, £6.50. 289 pages

La Drame Rhodesien, Resurgence du Zimbabwe by Roland Pichon, Idoc France 27F. 236 pages

In August, 1962—only a few weeks before the Rhodesian Front won their first election—a young African doctor was killed as his car collided with a fast-moving train near Bulawayo. Would Rhodesia have been a different place had Dr. Parirenyatwa, widely popular among Africans and respected by many Whites, lived to take over Rhodesia's nationalist leadership? Would there, just possibly, be a multi-racial government in Salisbury now, instead of deadlock between Black and White, and looming in the wings a war which could dwarf Angola?

Lawrence Vambe ends his story of the development of Rhodesia's nationalist movement with the death of Dr. Parirenyatwa, whom many Africans still believe was killed with the complicity of the White authorities. Mr. Vambe is a temperate writer and a cautious historian: he only suggests that with the death of the doctor Black and White Rhodesians alike lost one of their many opportunities to find a solution, short of confrontation, to their problems.

The story of those lost opportunities is a sombre one, though Mr. Vambe writes so well he makes it easy reading. His method is similar to that of his earlier book—*An Ill-Fated People*. He takes as a base his own life, and that of his friends and family (including a magnificent grandmother and several eccentric uncles) to weave the story of African attitudes to successive White governments and the growing strength—and weaknesses—of Black nationalism.

While his viewpoint is primarily African and his own dislike of White minority government clear, he writes neither as propagandist nor as publicist. Though obviously involved, he still manages to keep a distance from his main subject, and has thus provided a useful historical *record as well as a readable* and moving book. It should be required reading for anyone who wants to try to understand the mess Rhodesia is in to-day.

Roland Pichon's book, as he would probably be the first to admit, is altogether slighter than Mr. Vambe's: an attempt, principally, to tell an audience largely ignorant of English speaking Africa about one of its central problem areas. Its chief interest is perhaps that Fr. Pichon, a Catholic priest, spent several years in a remote station in eastern Rhodesia, he quotes frequently from Mr. Vambe's earlier book (Mr. Vambe himself was a "mission boy"), and basically agrees with his conclusion that the Church, too, has lost many opportunities to help Rhodesians live together.

Attitudes to art

BY WILLIAM PACKER

Art on the Edge by Harold Rosenberg. Secker and Warburg, £6.00. 303 pages

With Clement Greenberg *lecturing in this country* at the moment and Tom Wolfe's extended squib, *The Painted Word*, about to be let off in the February issue of Harpers and Queen magazine, this seems to be open season for American Art Criticism: and Harold Rosenberg's latest collection of essays and reviews has appeared in time to start the fun.

Rosenberg is the other of those far from identical twin *colossi* of American criticism, who together have bestridden the Art World since the War, treading down all opposition, and raising their favourites to the level of heroes. As apologists for the New York School of Abstract Expressionism, they built a temple to American Modernism that was meant to last for ever. They forget, however, that the latest word is never the last. Their critical edifice *remains significant, and indeed* imposing, but it begins to crumble, and the priests pack up to leave. Rosenberg gives an account of this personal crisis in his book.

It is divided Gallically, the first part dealing with individual artists, from Duchamp to Warhol, the "Creators"; the second a disquisition on the nature of criticism, "Reflections"; and the last examining the "Situations," the movements, pressures and circumstances that qualify contemporary activity.

Rosenberg is utterly committed to the Modern Movement, and to the pre-eminence within it of the avant-garde; for he believes that it is only through the agency of avant-garde activity that Art not only develops, but achieves its highest expression. He looks, naturally, to those manifestations that accord with his own theoretical prejudices; and, like Hilton Kramer (whose dictum: that for a work of art "to lack a persuasive theory is to lack something crucial," stung Wolfe into action), he believes that criticism must play a definitive and decisive role in advance of the artist's creative stroke. His essay "Reflections," therefore, is the key to the book.

It is a heady mixture of doubtful but confident assertion and ponderous truism: "In order to be relevant, art criticism to-day must maintain a continuing sensitivity to major characteristics peculiar to the modern epoch which affect the situation of art . . ." And again: ". . . creation of art in the twentieth century is an activity within the politico-cultural drama of a world in the process of remaking itself." We had supposed that human society had been engaged in the process of remaking itself since the Creation. "The break between the present and the past makes the future opaque and plunges art into a permanent state of uncertainty."

But when was the future not opaque, for art as for anything else, and the present state of things not uncertain? We see the pattern only at a distance. How centrally placed in the mainstream of the Western Tradition are the great painters of New York, Pollock, Rothko, and their peers.

"In our era," he says, "art that ceases to seek the new becomes at once intellectually insignificant, a species of home-craft." There it is; novelty must be the thing, and so much for the poor misguided fellow who, whatever it is he is engaged upon, tries merely to get it right, not desperately original but simply true to experience and intention.

Mr. Rosenberg longs for the past, when avant-garde succeeded avant-garde in giddy and exciting progress, and critical orthodoxy was a simple matter. What he sees now he misunderstands. In saying, "It is generally agreed that the modernist art movements of the past 100 years have exhausted their premises," it seems not to occur to him that after a hundred years it is time enough to catch our breath. What we see is the River broadening and dividing as it slows down in its old age. The direct route to the Sea is perhaps less obvious, but each channel is worth a look at least, if not close and careful exploration. We have a wide choice and no leader. And the sea perhaps is no Sea at all with cataracts on the further side to draw us, and Mr Rosenberg, over, to plunge down *once more*.

Princess Charming

BY HILARY SPURLING

Prinny's Daughter: A Biography of Princess Charlotte of Wales by Thea Holme. Hamish Hamilton, £6.50. 261 pages

"No family was ever composed of *such odd people*," wrote Princess Charlotte of the royal household at Windsor, "and there have happened such extraordinary things, that in any other family . . . are never heard of before." She was sixteen at the time, and given the state of affairs among her relations—the madness of her grandfather George III, her grandmother's tyranny, the bitterness of her four unmarried aunts, drunkenness and fornication among her uncles (rumours of incest and murder in the case of her uncle Cumberland), her own role as pawn in the feud between her implacable parents—it was a perfectly reasonable claim.

Her mother and grandmother, two homely German princesses, had both been married the moment they landed in England to husbands they had never set eyes on before. Her father, whose famous first words on meeting his bride ("Harris, I am not well; pray get me a glass of brandy") determined the course of his disastrous nine months' marriage, put up with it under protest only until Charlotte was born. "I had rather see toads and vipers crawling over my victuals than sit at the same table with her," he said of his wife, and for the rest of their lives they lived under separate roofs. But 17 years later he produced a plain, dull, dim-witted Dutch prince, introduced him to Charlotte at dinner and, as she wrote afterwards, "took us both into another room and fiancéd us," leaving the pair "so excessively astonished that we could hardly believe it was true."

Charlotte, however, made of sterner stuff than her parents, sent for her suitor and rashly but firmly broke off the engagement. She had read *Sense and Sensibility* when it first came out three years earlier, and identified herself with the more reckless and romantic of the two Misses Dashwood: "*I think Maryanne* (sic) and me are very alike in *disposition*, that certainly I am not so good, the same imprudence, etc., however remain very like." The comparison seems to have been remarkably apt, and expressed with engaging modesty in a girl whose curiosity, candour and courage were matched by high spirits and a taste for self-dramatisation. Charlotte learnt independence early. Her mother treated her from birth as a weapon against the Prince Regent her father, who alternated fits of demonstrative affection with equally demonstrative, rather more settled coldness.

The few people she was fond of—her governess Lady Elgin, her tutor Dr. Nott, her best friend Mercer Elphinstone—all resigned or were deliberately removed from her life. Of all her family she had loved her grandfather best, and she never saw him again (though she may have heard his cries) after he was shut up in 1811.

When she refused to marry the Prince of Orange her ladies and all her servants were dismissed at a blow by her father in a dreadful interview which ended with Charlotte escaping through a back door alone on to the *streets of London—only to be* tracked down and brought back under duress by officers of state and ... For the next six months she was forbidden to see her friends, to write or receive letters, and watched night and day by wardresses hand-picked by her father.

No wonder if she saw herself —"so forlorn and prisonish"— as a heroine of gothic romance: the Prince Regent, so far as she was concerned, was no less capricious and scarcely less sinister than any of Mrs. Radcliffe's tyrants. "Remember . . . that Charlotte must lay aside the idle nonsense of thinking that she has a will of her own," he wrote, "while I live she must be subject to me as she is at present, if she were thirty, or forty, or five-and-forty."

It is one of the many pleasures of Thea Holme's book that it constantly suggests, without over-emphasising, this sort of analogy. *Prinny's Daughter* is written with a crispness, clarity and what one might call narrative elegance which make it hard to put down. Its splendid cast of characters are deployed as vividly as if appearing here for the first time, as indeed they were in Charlotte's amused and amusing letters, shrewdly used throughout.

Mrs. Holme's meagre material — secluded childhood, three or *four* love affairs, a broken engagement, disappointment, disgrace, despair, ending with a cloudlessly happy marriage — is after all the stuff of which heroines are made, and this one gains a special piquancy from the irony with which history afterwards twisted her story.

The Prince Regent relented sufficiently to permit Charlotte to marry Prince Leopold of Saxe-Coburg, whom she barely knew *but had at least seen and* spoken to, and with whom she found the kind of rapturously uneventful domestic intimacy—doing the household accounts together, and submitting to her husband's injunctions to watch her temper—unheard of in her parents' generation. She died with her stillborn son in childbirth when she was twenty-one. Queen Victoria was born two years later, the first arrival in the royal *Dukes'* race to produce a fresh heir to the throne.

Charlotte's maid became Victoria's dresser; Charlotte's husband, never satisfactorily consoled for her loss, eventually became King of the Belgians and Victoria's beloved uncle. The likeness between the two cousins, in looks and temperament and not least in their shared gift for letter-writing, is one of the more intriguing aspects of this subtle, sober and immensely appealing portrait.

U.K. ECONOMIC INDICATORS

	Unit	1976 Jan.	1975 Dec.	1975 Nov.	1975 Jan.	1974 Dec.
...ral						
...nployed‡ ...	'000s	1,430.2	1,211.4	1,168.8	742.0	n.a.
...led vac'ns ...	'000s	88.8	103.1	115.7	n.a.	n.a.

	Unit	1975 Dec.	1975 Nov.	1975 Oct.	1974 Dec.	1974 Nov.
... rates	Jly. '72=100	196.8	194.2	186.3	157.1	153.1
...ney resrvs.	$bn.	5.429	5.606	5.710	6.789	7.824
... advncs. b	£bn.	13.731	14.079	14.132	n.a.	n.a.
... mater'ls d	1970=100	258.6	256.1	251.7	223.5	223.8
...s of trade	1970=100	79.7	81.2	81.5	76.2	76.4
...l prices ...	Jan. '74=100	146.0	144.2	142.5	116.9	115.2
		Nov.	Oct.	Sept	Nov.	Oct.
...l. prods. d	1970=100	198.6	197.0	194.9	164.8	162.2
... sales val.**	1970=100	182.1	179.6	179.3	160.3	156.3
...ebt¶	£m.	2,289	2,261	2,257	2,313	2,294
...t. output**	1970=100	101.5	101.2	100.5	106.6	107.0

	Unit	1975 Dec.	1975 Nov.	1975 Jan.-Dec.	1974 Dec.	1974 Jan.-Dec.
...and ...try						
...	'000s	115	115	107.5	137	127.8
...ts f.o.b. ...	£bn.	1.956	1.924	1.832	1.745	1.727
...ts f.o.b. ...	£bn.	1.767	1.637	1.565	1.386	1.282
...e trade ...nce	£bn.	−0.199	−0.287	−0.267	−0.286	−0.438
...l. vehicles*	'000s	33.5	28.2	32.2	40.0	33.5
... (weekly ...ge)	'000 tonnes	310	402	363	402	431
		Nov.	Oct.	Jan.-Nov.	Nov.	Jan.-Nov.
...nade ...*	m. kgs.	49.13	55.11	46.93	43.11	50.71
...ist‡	'000s	221	250	211	256	257
..., radio- ...st‡	'000s	354	423	382	346	428
...s cmpltd.¶	'000s	27.0	29.0	25.6	24.3	22.4
...,*	millions	437	488	421	438	475.1
...t (weekly ...ge)	'000 tonnes	341	353	332	346	348.4
		Oct.	Sept.	Jan.-Oct.	Oct.	Jan.-Oct.
...ure†** ...	1970=100	150	150	153	127	135
...eum	m. tonnes	7.06	5.96	6.58	8.58	7.46
...y*	1970=100	91	91	92.8	101	101
...ic cookers	'000s	103.3	93.6	78.9	103.3	71.8
...ng mchns.	'000s	95.6	84.5	84.5	51.7	72.5
...otton ...ly av.) ...	'000 metric tonnes	2.65	1.72	2.3	2.32	2.27
		Sept.	Aug.	Jan.-Sept.	Sept.	Jan.-Sept.
...g. (orders ...and)** ...	1970=100	106	109	115	135	137
...vools	m. kilos	9.5	7.0	9.1	9.0	10.2
		Aug.	July	Jan.-Aug.	Aug.	Jan.-Aug.
...e tools† .	£m.	21.2	22.0	23.6	17.6	18.9
		4th qtr.	3rd qtr.	Year to date	4th qtr.	Year
...ner ...ing	1970 values	8,790g	8,814	35,645	9,057	35,741
		3rd qtr.	2nd qtr.	Year to date	3rd qtr.	Year
...trade ...ver	1972=100	151	145	144	126	119
...nd civil ...eering* e	£bn.	3.097g	2.920	8.661	2.673	7.625

...uction. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally ...d. †† All manufacturing industries. ‖ Excluding car radios. ...veries, U.K. made and imported sets. b From May, 1975, ...s new basis of calculation refers to advances to U.K. public ...ivate sector. Historical figures on new basis not available. ...s. f Including cooker griller toasters. e Value of output. ...d Kingdom not seasonally adjusted. g First preliminary ...e.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Off another 6: but above the worst

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Jan. 28.

FURTHER profit-taking forced Wall Street lower again, although the close was above the worst.

After falling 10.00 to 947.81, the Dow Jones Industrial Average partially recovered to 951.35 in the closing half hour, for a net loss of 6.46. The NYSE All Common Index lost 27 cents to $52.28, while losses outpaced gains by a near two-to-one majority. Trading volume further decreased 4.7m. shares to 27.37m.

There was little in the news background to explain the selling.

The Stock Market showed no apparent reaction to the Government report of a 0.4 per cent. rise in last month's U.S. Index of Leading Economic Indicators. The report suggests that the economy continues to recover gradually from the deep recession in 1975.

Dr. Burns, Federal Reserve chairman said the FED will continue a moderate economic expansion rate during the coming year to assist the expected continuing economic recovery.

Sears, Roebuck fell $2 to $65¾ on Press comment.

General Electric were down $1 to $53¾, Procter and Gamble $1⅛ to $90½, Eastman Kodak $1½ to $110⅞, Kennecott Copper $1⅜ to $32½, and Pillsbury $1½ to $41.

Colgate-Palmolive declined $1⅜ to $28⅜, Honeywell $1½ to $47⅞, and Storage Technology dropped $2 to $9½.

But Philip Morris rose $1 to $54½ on record year's net.

Disston were lifted $4¼ to $12¾ on Sandvik AB of Sweden planned an offer of $13 a share. Disston also reported a loss in the fourth quarter compare dwith a profit a year earlier.

Watkins-Johnson jumped $3½ to $31¾ on higher net for the year.

Tandycrafts picked up $1½ to $20½, following its plan to spin off to shareholders its Stafford-Lowdon Group.

Brown Co. added $⅞ at $13¼ on a five-for-four stock split.

Getty Oil climbed $5½ to $164—a Getty Unit reported a substantial increase in uranium ore reserves in an Australian mine.

Natomas rose $1⅞ to $26⅝.

Ashland Oil moved ahead $1⅛ to $24⅛ on higher December quarter net plus a raised dividend. Petrie Stores improved $1⅛ to $69½ following a 40 per cent. extra dividend plus a quarterly dividend increase to 40 cents from 30 cents.

The American SE Market Value Index fell 0.29 to 94.66, while losses outnumbered gains by 414-to-293.

Badger Meter gave way $1¼ to $8¼—it said 1975 earnings could decline as much as 40 per cent. from the $1.03 a share of 1974.

Fresnillo dropped $1½ to $1¾ on a slashed quarterly dividend to 10 cents a share, from 25 cents a share.

Canada again mixed

Canadian Stock Markets remained irregular in active trading yesterday.

The Gold Share Index moved up 3.74 to 258.31, Banks gained 1.23 to 241.53 and Utilities firmed 0.06 to 134.80. But Industrials shed 0.32 to 183.92, Base Metals eased 0.13 to 79.94, Western Oils lost 1.16 to 208.46 and Papers dipped 0.30 to 114.20.

Aquitaine Co. of Canada declined $1 to $20½ and Husky Oil lost $¾ to $19¼.

Canadian Cables Systems fell $1 to $13, despite its higher first *quarter earnings.*

OTHER MARKETS

PARIS—Shares generally fell slightly, following the Paris Chamber of Commerce's prediction of 3.2 per cent. growth in 1976 French Gross National Product, compared with the Governments 4.7 per cent. forecast.

Holdings, Foods, Constructions, Stores, Electricals, Chemicals and Oils all gave ground, while Banks and Engineerings were mixed. Metals, Motors and Printing shares were steady.

Americans, Germans and Belgians gave way but Dutch and Oils were well maintained. Golds rose but Coppers weakened.

BRUSSELS — Mixed after continued active trading.

Metals lost ground, steels improved. Chemicals were mixed. Oils higher, Stores firm. Holdings mixed, Electricals and Utilities a little easier.

U.S. shares eased, as did South African Gold Mines, Germans finished steady, Dutch stocks modestly higher, French shares firmed, Zaireans lower.

GERMANY — Prices fell on average DM2 in dull trading.

Dresdner Bank, down DM4.4, led Banks lower, while Electricals and Steels shed up to DM2.50.

Motors, Machinery and Stores lost up to DM2, and BASF, off DM1.10, led Chemicals lower.

Ford fell DM1.50, although the German Ford chairman said 1976 will be a "good year."

Public Bonds dipped up to DM0.30 and the Authorities bought a nominal DM1.7m. worth of stock. The latest Rail Loan (DM600m. now being issued at par) met some selling and was quoted ¼ to ½ lower. Mark Foreign Loans were mixed.

AMSTERDAM—Narrowly mixed. Banks, Insurances and Transportations were weak, but KLM gained Fls.2.50 on the expectation of favourable quarterly figures.

Dutch Industrials were mixed. Bonds were steady to 0.10 higher.

VIENNA—Generally firm.

OSLO—Industrials and Banks were firm, while Insurances and Shippings were steady.

COPENHAGEN—Irregular in continued active dealings.

MILAN—Mainly lower with the prolonged Italian Government crisis prompting some liquidation. Bonds were steadier.

SWITZERLAND—Swiss issues generally lower in moderate trading.

Banks finished about unchanged. Insurances were slightly off. Chemicals and Financials mixed, while other categories declined.

Baloise edged lower, after recent strength, on the company's prediction of about unchanged results and same dividend.

State Bonds lost ground.

Foreign sector quieter. Dollar stocks irregularly lower. Dutch Internationals generally well maintained, while Germans were barely steady.

HONG KONG—Sharply higher in active trading, with index above 400 mark for first time since June, 1974.

Hong Kong Bank were up 60 cents to $HK30.40, Hong Kong Land 35 cents to $HK8.15, Hutchison 5 cents to $HK2.65, Wheelock "A," 12½ cents to $HK4.05, Jardine 40 cents to $HK26.80, Swire Pacific 30 cents to $HK8.45, Hong Kong Electric 12½ cents to $HK4.65, Hong Kong Telephone $HK1 to $HK19.30, Hong Kong and Kowloon Wharf 70 cents to $HK16.40 and Hong Kong Dock 5 cents to $HK9.05.

TOKYO—Lower as late profit-taking more than offset initial gains. Volume 480m. (430m.) shares.

Constructions, Foods, Cameras, Oils and Retailers gave ground, while Motors continued to decline.

Nippon Oil lost Y12 to Y318, Nissan Motor Y13 to Y509, Toyota Motor Y18 to Y685, Pioneer Y110 to Y2,150 and Fuji Photo Film Y10 to Y440.

Chemicals, Paper-Pulps, Steels and non-Ferrous Metals were higher.

JOHANNESBURG — Extremely quiet and featureless. However, Gold shares moved upwards following the higher bullion price. Loraine rose 5 cents to R1.70, and Venters 5 cents to R4.00.

Financial Minings were little changed, as were Coppers, while Platinums showed small losses.

Industrials were mixed.

AUSTRALIA—Lower across the board under sustained profit-taking.

Pancontinental came back 45 cents to $A10.95, Queensland Mines 10 cents to $A2.35 and Peko-Wallsend 20 cents to $A4.20.

Bank of NSW dropped 20 cents to $A5.60, BHP declined 18 cents to $A6.76 and CSR retreated 8 cents to $A4.0.

Herald Warrants lost 12 cents at $A2.48.

Woodside-Burmah shed 6 cents to $A1.25 and Utah slipped 20 cents to $A9.50.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.*	Util.	Trading volume 000's
Jan. 28	71.13	196.34	951.35	90.56	27,370
27	70.92	197.36	957.81	90.75	32,070
26	70.94	197.36	961.61	90.66	34,470
23	70.90	197.38	955.96	90.62	45,640
22	70.85	196.57	943.48	89.98	27,4..
21	70.83	196.77	946.24	90.24	34,470
20	70.73	197.42	949.86	90.39	36,690
19	70.57	196.02	943.72	90.30	29,450
16	70.53	191.82	929.63	89.95	26,940
15	70.54	190.33	924.61	89.34	38,450
14	70.35	190.69	929.63	89.24	30,340
13	70.27	187.11	912.94	88.29	34,530
12	70.06	188.41	922.39	88.70	30,440
9	69.92	185.21	911.13	87.97	28,610
8	69.77	186.06	907.98	87.71	29,030
7	69.52	182.50	898.69	87.39	33,170
6	69.57	181.32	890.82	87.38	31,270
5	69.28	178.51	877.83	86.43	21,960
1975-76 High	71.13 (28/1/76)	197.42 (20/1/76)	961.61 (26/1/76)	90.75 (27/1/76)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	38,450 (15/1/76)
Low	—	13.23 (8/7/32)	41.22 (2/7/32)	10.58 (28/4/42)	—

* Excluding bonds

IND. DIVIDEND YIELD p.c.

Jan. 23	Jan. 16	Jan. 31 1975
3.92	4.02	5.38

N.Y. SE ALL COMMON INDEX
December 31, 1965=50.

1975-76 High	1975-76 Low	Jan 28	Jan 27	Jan 26	Jan 23	Jan 22
52.84 (26/1)	37.06 (2/1)	52.28	52.55	52.84	52.50	51.87

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,801	504	878	409

	Jan 28	Jan 27	Jan 26	Jan 23	Jan 22
New Highs	138	268	365	309	169
Lows	two	one	one	5	nil

AMERICAN SE MARKET VALUE INDEX
Starting base 100 Aug. 31, 1973.

1975-76 High	1975-76 Low	Jan 28	Jan 27	Jan 26	Jan 23	Jan 22
95.90 (16/1)	82.20 (2/1)	94.66	94.95	94.85	94.77	93.88
Volume (000's)		5,050	5,460	4,210	4,460	3,050

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Jan. 28	110.26	99.58
27	111.08	99.07
26	111.72	99.68
23	111.16	99.21
22	109.79	98.04
21	110.02	98.24
20	110.75	99.86

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Jan. 22	Jan. 15	Jan. 8
On Dividends	5.44	5.55	5.64
On Earnings	6.90	7.21	7.30

SYDNEY ALL ORD. INDEX

TOKYO NEW SE INDEX

HONG KONG INDEX

SINGAPORE INDEX

EUROPE

TORONTO INDUSTRIAL INDEX

MONTREAL INDUSTRIAL INDEX

COMBINED INDEX

JOHANNESBURG

STOCK AND BOND YIELDS

WEDNESDAY'S ACTIVE STOCKS

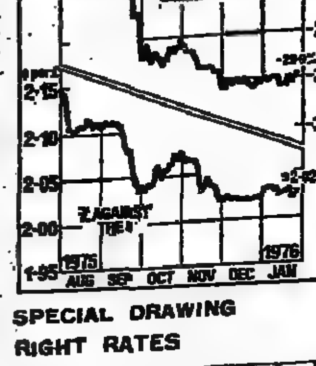
£ improves

Sterling remained firm in the foreign exchange market yesterday, closing at its best level for two months against other major currencies in general. Its trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, as calculated by the Bank of England, narrowed to 29.9 per cent., from 30 per cent., and stood at 29.9 per cent. at noon and 30 per cent. in early dealings. This is the *first* time that the depreciation has been under 30 per cent. since November 28. The pound also improved against the U.S. dollar and market sources suggested that the Bank of England may have intervened to prevent the rate from rising too sharply.

Sterling opened at $2.0270-2.0280 and touched $2.0310-2.0320, before easing slightly towards the close to $2.0285-2.0295, a gain of 25 points on the day.

The dollar was weaker against most European currencies, following the fall in the U.S. trade surplus in December. Its trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty, widened slightly to 2.33 per cent. from 2.31 per cent. The French franc and Italian lira were both weaker in terms of the dollar however, with the franc closing at Frs.4.4910, compared with Frs.4.4845, and the lira finishing at L734, against L728½. The lira's depreciation, on the Morgan Guaranty basis, widened to 37.67 per cent., a fall of 8.95 per cent. since the closure of the Italian foreign exchange market last week.

Gold gained $1½ to close at $127¾-128¼, its best level of the day, after opening at $126½-127½. The krugerrand's premium over its gold content narrowed to 3.12 per cent. from 4.15 per cent. for domestic delivery, but widened to 3.31 per cent. from 3.16 per cent. in the international market.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Jan. 28	Jan. 28
Sterling	0.576655	0.577530
U.S. dollar	1.16986	1.16973
Belgian franc	45.9609	45.9996
Deutsche mark	3.04105	3.04305
French franc	5.24492	5.24536
Italian lira	—	—
Japanese yen	355.111	354.896
Dutch guilder	3.12236	3.12493
Swedish krone	5.12399	—

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

EURO-CURRENCY INTEREST RATES*

GOLD MARKET

FOREIGN EXCHANGE

OTHER MARKETS

FORWARD RATES

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—113% (114%)

NEW YORK

CANADA

GERMANY

PARIS

AMSTERDAM

MILAN

BRUSSELS/LUXEMBOURG

SWITZERLAND

COPENHAGEN

VIENNA

AUSTRALIA

TOKYO

STOCKHOLM

OSLO

JOHANNESBURG

SPAIN

هكذا اصل الأصل

FARMING AND RAW MATERIALS

[M]anganese [pric]e talks [de]lay

[NEGO]TIATIONS ON this year's [Japa]nese ore contracts are [proving] lengthy and could con[tinue] into March, say trade [sources].

[...] buyers are not rushing [...] improved activity in the [...]ade, and do not want to [...]re than they did last year, Japan is believed to be [...] for lower prices. Sellers, [...]r, are asking for higher [...]o cover increased costs.

[...] business has been done, [...]ly in the U.S. and Eastern [...] and to a limited extent [Wes]tern Europe. Some busi[nes]s also been done with the [...]ith no details disclosed. [It m]ay well be another month before all U.K. require[ments f]or the year are covered.

[It i]s believed that, while [...]rs secured an increase in [...]b. price the much lower [...]ing freight rates, com[pared w]ith last year's, mean ore [...]g secured at close to last [year's] level of around 140 cents [...]ne c.i.f. for 48 per cent. [...]rade.

[...] sources believe many [...] are awaiting the outcome [...] due to resume early in [...]ry between West Ger[many a]nd Brazil, an important [...]r. They said these may [e]stablish a pattern and [...] the conclusion of this [year's] contracts.

Consumer interest lifts London copper price

BY JOHN EDWARDS, COMMODITIES EDITOR

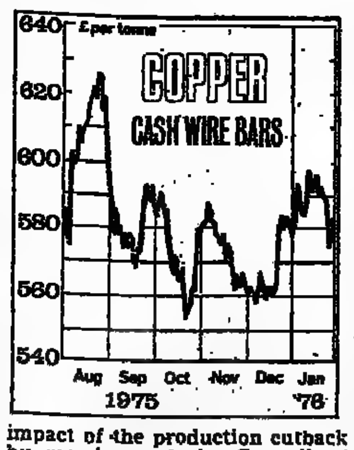
COPPER PRICES moved up firmly on the London Metal Exchange yesterday, encouraged by signs of consumer buying interest at the lower levels and reaction against the recent decline in values.

Cash wire bars closed £6 higher, at £582.75 a tonne, and advanced further on the late kerb, despite some profit-taking, with the three months quotation touching £605 at one stage.

Sentiment in the market is said to reflect a more optimistic outlook on the revival in industrial activity in main consuming areas, the situation in Angola and the possibility of the U.S. spending a lot more on armaments, perhaps including the rebuilding of strategic stockpiles.

A more pessimistic view is taken by the Commodities Research Unit, which issued its latest short-term copper forecast yesterday. It predicts only a small recovery for copper prices in the fourth quarter of 1976 and does not expect the main recovery in prices until the third quarter of 1977 and beyond.

The forecast is based on an econometric model of the copper industry, with key variables including changes in manufacturing production and the impact of the production cutback by members of the Council of Copper Exporting Countries (Cipec).



Production cuts by Cipec are predicted to be less this year than in 1975, since percentage reductions are being calculated on 1976 capacity now, rather than 1974 output.

A rapid industrial recovery is forecast for 1976 in both the U.S., with an 8 per cent. growth in manufacturing output, and in Japan, with a 12 per cent. growth. As a result, refined copper consumption in non-socialist countries is expected to rise by 20 per cent. this year, to 6.62m. tonnes, while production is only likely to rise by 1 per cent., to 6.36m. tonnes.

It is pointed out, however, that the sharp recovery in copper demand this year will still not restore 1973 levels. The increase in production will be sufficient to reduce only slightly the world stocks—currently around 1.6m. tonnes.

Many dealers would not disagree with these fundamental statistics, but claim that they do not take into account the effect on sentiment if supplies do threaten to become scarcer, with consumers often willing to buy more than they need when rebuilding stocks—just in case.

Tin prices continued Tuesday's upward trend, standard grade cash tin gaining £16.5 to £3,094.5 a tonne. A firm tone in the morning, encouraged by the rise in the Penang market overnight, was sustained by buying interest mainly for cash, especially for higher grade which widened its premium over standard.

Reuter reports that the settlement of the strike at three offshore mines in Thailand may be delayed by the political situation, prior to elections in April, and the present depressed state of the tin industry as a result of low prices.

World sugar estimate reduced

WASHINGTON, Jan. 28.

THE U.S. Agriculture Department has trimmed its estimate of 1975-76 world sugar output to 90.3m. short tons, raw value; from between 91m. and 93m. short tons, forecast last November.

The latest forecast is an increase of 3.6m tons, or about 4 per cent. above the estimated 1974-75 output.

The lower figure for 1975-76 is due mainly to a reduction of almost 2m. tons in Soviet output, from the level forecast when the previous November estimate was made.

The USDA still puts 1975-76 world consumption of sugar at around 90m. short tons. This is 2m. tons above estimated world consumption in the 1974-75 crop year, and indicates that consumption is recovering from the low levels recorded in 1974 and 1975.

But, with the lower-than-expected production estimate roughly matching estimated consumption, the Department expects end-of-season world stocks on September 30 this year to remain at about the relatively low level of about 17m. short tons of last end-September.

Reuter

Ivory Coast objections to cocoa pact

ABIDJAN, Jan. 28.

THE IVORY COAST would not change its attitude to the new international agreement on cocoa, Diplomatic sources said here, reports Reuter.

Objections by the Ivory Coast came under three headings, the sources said: The maximum price was insufficient in relation to present production and supply costs; the middle price based on the minimum price at which cocoa was sold (47 cents) was also insufficient; and the minimum price was not defended as well as the maximum price.

On price revisions, the Ivory Coast would have liked annual and automatic revisions. The agreement only provided for one revision if it lasted three years and two if it continued five years.

With the present acceleration of the inflation and monetary problems, a constant adjustment of the price range was considered necessary.

● London cocoa futures failed to maintain Tuesday's strong tone, but the May position finished off the day's low at £725.75 a tonne, down £4.5 on the day. The rise in coffee continued, however, the March position closing £3.5 higher, at £847.5 tonne.

POTATO PRICES

Canny Scotsmen dig up a small fortune

BY A SPECIAL CORRESPONDENT

THE MASSIVE price of the normally humble potato—causing such controversy—is bringing a timely windfall profit to Scottish growers who produce most of the British seed crop and virtually all the virus-tested and foundation stock seed grown in the U.K.

The peculiar circumstances of this year, in which Scottish potato yields are down only some 10-15 per cent., while English and Welsh yields have fallen as much as 30-35 per cent., has placed most Scottish producers in an extremely advantageous position.

The encouragement this is giving them may well halt the decline in the industry and stimulate a much more aggressive exploitation of a considerable export potential within the EEC.

Over the past six years the marginal profitability of the potato crop has caused a steady decline in the acreage of potatoes planted in Scotland. In 1970, Scotsmen planted some 103,000 acres, and sent some 300,000 tons of seed into England and Wales. In 1975, these figures were down to 75,000 acres planted and about 200,000 tons of seed. Even so, this is still enough to plant about half of the English and Welsh acreage.

The decline has been in line with plantings in England and Wales, which dropped from 513,000 acres to 402,000 over the same period. The drop in exporting of seed is explained by this acreage decrease, together with the increased practice south of the border of using "once grown" seed, taken from ware.

The decline in demand for seed almost put the Scottish industry into reverse, some specialist seed producers moving into the ware trade by allowing their seed crops to bulk up to a much greater yield before stopping growth by "burning off" the tops of the plants with chemicals.

The economics of this policy were sound, but poorer disease control resulting from such factors as longer periods of virus-carrying aphid attacks, blight and greater mechanical damage at dressing, caused some decline in seed quality.

As could be expected, there has tended to be a steady relationship between the price of ware (old) potatoes and that of seed. For example, when the ware crop has sold at £25 per ton, average seed prices would have been about £32 per ton.

A food company claimed yesterday that its instant mashed potato now costs about 3p less per pound prepared and table-ready, than fresh potatoes bought at 12p a pound. Allowing for a conservative 20 per cent peeling loss, fresh potatoes work out at 14.2p a pound on the plate, said Dornay Foods. A large pack of their brand of instant mashed costs 11.4p a pound, plus the benefits of convenience.

Seedsmen have found this differential too narrow in recent years of rapid cost inflation. Indeed, this has been one of the factors causing some specialists to begin producing for both markets. However, other men have looked further afield for a solution to their problems.

—The Dutch have been to Europe what Scotsmen have been to Britain. They produce high quality seed under strict hygiene regulations, and they market it with considerable expertise.

Thus they have been getting prices of about £120 per ton in Northern Italy and France, when Scotsmen have been receiving less than half of this figure for comparable seed at home.

With such a differential, it is not surprising that the canny Scots have begun to take advantage of the opportunity, especially since they have a more disease-free climate. Their sales abroad have risen from 10,000 tons four years ago, to 40,000 in 1974/75.

They are not expecting to beat the latter figure this winter, owing to the great scarcity of seed. But Mr. John Arbuckle, vice chairman of the Potato Marketing Board, reckons there is the potential to double this tonnage over the next four years.

A pioneer in developing the potato export trade, he sees this exceptional year as providing the capital to gear up to meet the strict production requirements of the export trade.

He does not see this development as being at the expense of the home market, but to its benefit, as production standards rise. It may mean an increase in average seed prices, but this has been thought necessary for some time.

Production of the potato crop can be highly mechanised now, from planting to dressing. In Techniques have been developed, however, for rowing stones out of the way of following machines, which improves mechanical harvester output, cuts down physical damage and speeds up dressing of the crop.

One-ton boxes, handled by fork lifts, can rapidly place the crop in insulated, controlled environment stores, ready for equally efficient handling on to grading machines. Thus the job can be set up to maximise quality and to minimise labour costs.

All this takes a considerable amount of capital. Thanks to the freak weather of 1975 which affected most of the European crop, Scottish producers have the opportunity to find this capital.

[Hi]gher Soviet [ric]e output [for]ecast

MOSCOW, Jan. 28.

[IRRIG]ATION WORK in the [...] Russia's main rice area, [will he]lp to achieve a 45 per [cent in]crease in rice production by 1980, Pravda has re[ported].

[The] newspaper says 686,000 [...] of rice were grown in the [...] South USSR last year [with th]e help of a new reservoir [near K]rasnodar. By the end of [the 19]76-80 five-year plan, the [...] rice harvest from the [...] should be around 1m.

[Offic]ial figures show that the [Soviet] Union's 1974 rice crop [was] 1.91m. tonnes. No figure [for 197]5 has been published yet. [Prav]da says that towards the [end of] the five-year plan, another [...] hectares of virgin land [will b]e irrigated for rice, using [the Kr]asnodar reservoir.

[Last] year, for the first time, [the av]erage yield per hectare [reache]d 50 centners (one metric [centne]r equals 100 kilos), with [some f]arms achieving up to 90 [...]s.

EEC outlines grain policy

BY DAVID EGLI

GENEVA, Jan. 28.

NEW ASPECTS of the European Community's policy on grains, including rough minimum and maximum price levels under a new international grains agreement, were outlined to-day in sub-group discussions on grains of the multilateral trade negotiations.

Precise figures have not yet been agreed by the Council of Ministers, but it is suggested that the minimum price for grain should be between $80 and $100 a tonne, with a maximum of $180-$205.

These are seen as safeguard prices for exporters on the one hand and for importers on the other. They are necessary reassurances, according to the Community, although the range for buffer stock operations would be almost doubled over the previous 1967 grains agreement.

The Community foresees the free play of market forces in a range between $130 and $165. A move outside these trigger points would entail automatic consultations with a view to buffer stock operations, while a second series of trigger points would bring in automatic purchase or sell operations.

The suggested price relationships are based on present conditions in the grains market and also are more or less in line with the existing American support price. Community sources suggest that the buffer stock arrangement would be much more flexible than the American scheme, based on production forecasts.

India plans sea food aid

BY OUR OWN CORRESPONDENT

NEW DELHI, Jan. 28.

INDIA'S COMMERCE Ministry is planning a major expansion of the sea food industry following record foreign exchange earnings from exports of sea food in 1975, worth Rs.1,650m. (£95m.). This compares with sea food exports of Rs.870m. in 1974.

The Government now plans to diversify exports so that, apart from shrimps, sardines and tuna are also sold abroad. To encourage canning of sardines, the Government has decided to give cash assistance of 25 per cent. of the value to canners.

On tuna, the Government is seeking foreign collaboration owing to the special skills needed. It is negotiating with parties in the U.S., Japan and Korea.

Further to aid expansion of the sea food industry, 30 trawlers are being bought from Mexico for deep sea fishing, as well as two survey vessels from Norway. Incentives for indigenous manufacture of trawlers are also planned through subsidies.

The foundation stone of a cold store with a capacity of 1,000 tonnes of fish, is to be laid in Cochin, Kerala State, next month.

Guernsey produce fetched £25m. in 1975

BY OUR GUERNSEY CORRESPONDENT

GUERNSEY'S 2,500 commercial growers who operate about 1,100 acres of heated glasshouses received a record £25m. last year from U.K. wholesalers for their tomatoes and flowers—an increase of almost £5m. on 1974.

The extra income was earned in spite of substantially decreased exports. At 46,000 tons, tomato shipments were about 2,600 tons down on 1974, but produced a gross return of £17.75m. (£14.32m.).

Flowers produced an estimated £7.16m. (£6.28m.).

The Guernsey Tomato Marketing Board comments in its report on the 1975 season on the slow rate of payment by U.K. wholesalers.

It put the blame on the U.K.'s "tight money" situation, the slowness—up to five days—in delivery of second class mail and the time it took banks to clear cheques.

It estimates that this year the tomato growers will face £1.4m. in freight charges, nearly £400,000 in marketing and administration cost, £250,000 for packaging materials, and £86,000 advertising charges.

But by far the biggest expense will be £6m. for fuel oil

[C]OMMODITY MARKET REPORTS AND PRICES

[BA]SE METALS

[COPP]ER—Firmer again in heavy trading on the London Metal Exchange. [...] gained ground throughout the day [...] gains in overnight U.S. markets [...] with short-covering and influential [...] Forward metal rose to £602½ in [...] [illegible]

	585-.5	+7	582.5-.5	+
	602-.5	+7	601.5-2	+
	585.5	+7	—	
	572.5-3	+6	572-.5	
	591-.5	+7	590.5½	
	572.5	+7.5	—	
	—			

[...]rning Rings before easing to £601 [on the] Kerb owing to arbitrage selling. [In the] afternoon values rose further on [short-]covering and physical demand. [...] following the firmer opening on Comex. Forward material traded at £605 in the Rings before profit-taking on the Kerb [...] Turnover 24,475 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £583, [...] three months, £601, [...] Afternoon: Wirebars, cash, £583, 82.50, three months, £601.50, 02. Cathodes, cash, untraded, three months, £591. Kerb: Wirebars, three months, £603, 02.50, 03, 02.50, 04, 05, 04, 04.50, 05, 04, 03.50. Cathodes, untraded.

TIN—Gained ground following the rise in the Penang price, short covering and chartist buying. Forward Standard metal opened at £3,140 and traded up to £3,148 in morning Ring dealings with influential buying on the Kerb taking the price up to £3,155. In the afternoon values eased on profit-taking with forward standard material trading at £3,152 on the Kerb. Turnover 465 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3095-100	+25.5	3098-105	+21.5
3 months	3154-5	+7	3155-60	+9
S'ment	3100	+25	—	
Standard				
Cash	3085-90	+21	3092-5	+16.5
3 months	3148-50	+4	3151-2	+4
S'ment	3090	+21	—	
Straits E.	[illegible]			
New York	—			

[illegible]

LEAD [illegible]

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
Cash	164.75-5	+.25	164.75-5	+.5
3 months	171.25-.5	+.5	171.25-.5	+.5
S'ment	165	+.5	—	
N.Y. Spot	—		—	

ZINC [illegible]

ZINC	Official	+ or —	p.m. Unofficial	+ or —
Cash	340.25-.75	+.375	339.5-40.5	+.375
3 months	350-1	+.5	349.5-50.5	+.5
S'ment	340.75	+.75	—	
Prim. West	—		*37.5	

[illegible]

SILVER

[illegible]

COFFEE

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

COCOA

[illegible]

GRAINS

[illegible]

FREIGHTS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

COTTON

[illegible]

MEAT/VEGETABLES

[illegible]

SMITHFIELD (pence per pound)—Beef: Scottish killed sides 38.0 to 40.0; English hindquarters 45.0 to 48.0, forequarters 30.0 to 31.0; Ulster hindquarters 46.0 to [illegible]

[LE]GAL NOTICES

[In] the Matter of ALPINE [JOI]NERY LIMITED and in the [Matter] of the Companies Act, 1948. [NOTI]CE IS HEREBY GIVEN that the [credito]rs of the above-named Company, [which is] being voluntarily wound up, are [required] on or before the 28th day of [...] [illegible]

No. 00243 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of BRAEMAR MARINE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 22nd day of January 1976, presented to the said Court by THE [illegible]

SHARPE PRITCHARD & CO.

[illegible]

ART GALLERIES

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Jan. 28 1976	+ or —	Month ago
Metals			
Aluminium(w)	£420		£420
[illegible]			
futures Mar. (u)	£847.5	+3.5	£793.5
Cotton 'A' Index cent	65.65	—0.05	61.6
Jute LJABWC (d)	£195.5		£195
Rubber ......kilo	37.75p		37.5p
Sisal EASL (z)	$600*		$600*
Sugar (Raw)	£160		£158
Wooltops 64s ...kilo	217p		210p
Cloves (Madagascar)	£2,650		£2,480
Pepper White...ton	£950		£935
Black...ton	£770		£750

* Nominal. † Seller. § Unofficial close ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation h Jan.-March v Metric tons. r Sept.

FINANCIAL TIMES

Jan. 28	Jan. 27	Month ago	Year ago
175.83	174.66	173.68	179.18

(Base: July 1, 1952=100)

REUTER'S

Jan. 28	Jan. 27	Month ago	Year ago
1195.0	1190.4	1176.2	1098.9

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Jan. 28	Jan. 27	Month Ago	Year ago
Spot	299.29	297.10	296.33	349.66
Futures	292.71	290.40	287.66	322.92

(Average 1924-25-26=100)

MOODY'S

Moody's	Jan. 28	Jan. 27	Month ago	Year ago
Staple Commodity	755.0	756.9	—	775.5

(Dec. 31, 1931=100)

GRIMSBY FISH—[illegible]

U.S. Markets

Buying lifts coffee

NEW YORK, Jan. 28.

PRECIOUS metals closed steady on Commission House buying following gains. Copper ended firm on aggressive Commission House buying. Sugar closed near highs on trade short-covering and speculative buying in quiet trading. Grains finished steady on Commission House short-covering and local buying. Coffee closed strong on Commission House buying. Cocoa rallied at the close on Commission House stop-loss buying, Bache reports.

Cocoa—Ghana spot 77½ (75½ nom.). Bahia spot 73½ (72 nom.). March 69.35 (67.35), May 65.80 (64.28), July 63.10, Sept. 61.25, Dec. 58.30, March 56.70, May 55.95. Sales: 2,977.

Coffee—"C" Contract: March 95.80-95.26 (93.75), May 95.00 (93.33), July 94.90, Sept. 94.40, Dec. 94.15. Sales: 606.

Copper—Jan. 54.80 (54.00), Feb. 55.20 (54.40 settlements), March 56.00, May 56.80, July 57.60 settlements. Sales: 1,891.

Cotton—March 59.80-60.00 (59.80), May 60.85-61.25 (60.93), July 61.50-61.60, Oct. 58.60, Dec. 57.45-57.60, March 58.20, May 58.50-58.70, July 58.60-58.90. Sales: 7,200.

ΦGold—Feb. 128.20 (125.90), March 128.70 (126.40), April 129.30, June 130.40, Aug. 131.50, Oct. 132.60, Dec. 133.80.

Greasewool—Spot 167.5 nom. (same), March 163.5-170.0 (163.5), May 164.5-169.0 (164.5), July 161.5-165.0, Oct. 162.0-165.0, Dec. 162.0-165.0, March 162.0-165.0.

†Lard—Chicago loose 17 (same). NY prime steam 18½ asked.

††Maize—March 263-263½ (261½), May 269-263½ (267½), July 272½-272¼, Sept. 269½, Dec. 264½-264, March 270½.

Trading on the New York Commodity Exchange (Comex) was held up this morning after an anonymous caller phoned to say an explosive was hidden on the trading floor. Police searchers found no bomb. Reuter

‡Platinum—April 142.00 (141.40), July 144.30 (143.70), Oct. 146.70, Jan. 149.50, [illegible]

[illegible]

STOCK EXCHANGE REPORT

Modest improvement in another quiet day's trade

Share index closes 5.1 up at a 1975-76 peak of 404.6

Account Dealings Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan. 12	Jan. 22	Jan. 23	Feb. 3
Jan. 26	Feb. 5	Feb. 6	Feb. 17
Feb. 9	Feb. 19	Feb. 20	Mar. 2

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

London Stock markets continued to reflect the performance of the gilt-edged market yesterday. In this particular case, British Funds had a firm session and appeared to be heeding *favourable pointers which included* strengthening hopes of a reduction in Minimum Lending Rate for the third successive week and a continuation for the rest of the year of the U.S. Federal Reserve Board's moderate monetary policy. Although the shorts were generally more active than the longs, gains were more notable among the latter and extended to ⅝ in places. The Government Securities index recorded a rise of 0.23 to a 1975-1976 peak of 63.84.

Despite a slow day's trading, equity markets made useful progress following Tuesday's minor setback. Leading Industrials were inclined easier at the start, but a firm lead from the Gilt-edged sector saw a gradual improvement and final quotations were around the day's best. Down 1.6 at the 10 a.m. calculation, the FT *30-share index closed* a net 5.1 up at a fresh 1975-76 peak of 404.6; this makes the fifth time the index has been closed above the 400 mark since January 9. The improvement owed much to the virtual absence of selling pressure, demand being only modest.

Second-line equities again produced some noteworthy features, mainly resulting from company trading statements. Overall the trend was mixed, but rises led falls by 4-3 in FT-quoted Industrials. The FT-Actuaries All-Share index hardened 0.1 per cent. to 169.01. The further slackening in activity was reflected in official *markings of 7,160 compared with* 8,165 on Tuesday, and were the lowest for 17 trading days.

Interest was well balanced again in investment currency until late in the day when sellers gained the upper hand, a development which brought the premium down a point to 113 per cent. Yesterday's S.E. conversion factor was 0.5985 (0.5997).

Hk. & Shanghai up

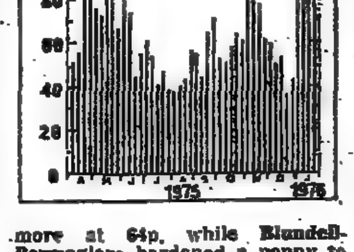
The big four Banks generally retrieved Tuesday's small losses in quiet trading. **Barclays**, 345p, and **Lloyds**, 275p, both picked up 3, while **National Westminster**, 235p, and **Midland**, 315p, were unaltered; the last-named not affected by news of the planned closure of 40 of its branches. Firm Far-Eastern advices gave strength to **Hongkong and Shanghai**, which rose 15 to a 1975-76 high of 340p in Overseas issues. Australian banks, however, gave ground on advices from "down-under"; **Bank of New South Wales** shed 20 to 675p, while **Commercial Bank of Australia** and **National Bank of Australasia** both lost 10 to the common level of 2[illegible]p. Still hoping for an early stock exchange quotation for the associated **Hambro Life Assurance, Hambros** continued firm in Merchant Banks, improving a penny more to 221p. **Hambros Investment Trust "A"** and "B" shares both hardened a similar amount to 77p and 65½p respectively in sympathy.

A very quiet day in Insurances ended with **Sun Alliance** closing 5 better at 460p and "**Royals**" 4 dearer at 336p in Composites. **Taisho Marine** lost 20 to 850p.

Distilleries closed a shade firmer *for choice on further considera*tion of the 12 per cent. increase on the export price of Scotch whisky. **Distillers** were a fraction harder at 148p, while **Highland** improved 2 to 118p. Among mixed Breweries, Press speculation of a possible bid from **Unilever** left **Wolverhampton and Dudley** 3 to the good at 137p.

Apart from **Leyland Paint**, down 6 more at 25p on the dividend omission and profits setback, Buildings were *generally* better where changed. **Concrete**, still reflecting trading news, put on 3 more at 64p, while **Blundell-Permoglaze** hardened a penny to 44p on the chairman's encouraging statement which accompanied the preliminary figures. **Marchwiel** *improved 8 to 124p*, while **A P Cement** were noteworthy for a rise of 4 to 136p.

Rises of 5 were scored by **ICI**, 367p (a new 1975/76 peak), and **Fisons**, 393p, while **Alginate** were raised 7 to 198p.



"Gussies" 'A' rise

"**Gussies**" "**A**" led Stores into higher ground, closing 6 better at 214p. **Marks and Spencer** ended 3 up at 103p, while **Burton "A,"** 55p, and **UDS**, 94p, both closed 2 harder following a reasonable turnover. On the bid front, **Weston Pharmaceuticals** and bidders **Dixon's Photographic** finished with gains of 3 apiece at 77½p and 77p respectively. **A. Henriques** continued firmly, hardening 2 to 3[illegible]p for a two-day rise of 6. On a less cheerful note, **W. H. Smith "A"** were lowered 4 to 358p on small selling in an unwilling market. Shoes were noteworthy for a fall of 4 to 126p in **Church**.

Reyrolle Parsons continued to meet demand and closed 4 higher at a 1975-76 peak of 101p. However, activity in other leading Electricals remained at a low ebb and prices closed with little alteration. **Thorn Electrical** managed to harden 2 to 242p and **GEC** ended a penny better at 157p, after 155p, while **Plessey** fluctuated a shade either way before finishing unchanged on balance at 76p. Elsewhere, **Chloride** followed Tuesday's reaction of 5 on the large share placing with a recovery of 3 at 106p. **BSR**, helped by Press comment, put on 3 to a 1975-76 high of 107p.

GKN surged higher late to close a net 10 up at 300p, after 288p, while **Tube Investments** improved from 336p to end 4 dearer on balance at 344p. Other Engineering leaders were not really concerned in the late movement, although the sector still had several good features. **Tom Martin** picked up 6 to 38p, **Herbert Morris** gained 4 to 71p and **Redman Heenan** 3 *to* 24p. **J. Saville Gordon** also advanced 3 to 34p, while news items raised **Bullough**, 78p, and **WGI**, 64p, by 1 apiece. Despite the lower interim figures, **James Austin Steel** edged up 2 to 60p, but profit-taking took a fresh toll on **Davy International**, which eased 2 to 132p. Selling of a similar nature brought **F. Pratt** back 3 to 66p, while **ACE Machinery** were lowered 7 to 73p. **Dunford and Elliott**, awaiting the *preliminary statement*, eased 1 to 47p. Shipbuildings were selectively strong, **Vosper** rising 10 to 91p and **Yarrow** 8 to 143p, both on hopes of revised nationalisation terms.

Cavenham continued firmly, rising 2 further to 134p for a two-day gain of 6. Elsewhere in Foods, **Bernard Matthews** closed 3 better at 75p following news of the proposed purchase of Armour Le Grys (U.S.A.), while **Glass Glover** improved initially to 38p on the results before finishing unchanged on the day at 35p. **Tate and Lyle**, at 289p, regained 3 of the previous day's fall of 4.

Press comment on the *company's future attracted speculative* attention to **Ritz Hotel**, which were marked up 1⅞ points to £7¼ in a nominal market. Among smaller-priced issues, **Mount Charlotte** hardened a fraction to 5p and **Adad International** moved up 1½ to 8p.

Miscellaneous Industrial leaders recorded minor gains in slack trading, although **Reed International** *stood* out with an advance *of 8 at* 282p on further consideration of the third-quarter statement. **Beecham** improved 5 to 348p and **Glaxo** 4 to 384p. There was *strong* London buying of Hong Kong issues, and **Jardine Matheson** moved ahead 19 to a 1975-76 peak of 443p and **Wheelock Marden** 5½ to 69p. Australians, however, had **Broken Hill Proprietary** 15 down at 695p and **Allied Manufacturing and Trading**, on the results, 8 cheaper at 200p. *Elsewhere*, **Sandhurst Marketing**, after *the* recent advance in a short market, closed unchanged at 36p ahead of "after-hours" news that discussions are being held which could lead to a bid. Calls from the Council of Europe's consultative assembly for a restart of the "chunnel" project prompted a *rise* of 5 to 46p in **Channel Tunnel**. News of increased attendances at greyhound tracks left **Romford Stadium** 3 firmer at 35p, while **Harris Lebus**, with results due tomorrow week, put on 4 to 50p. **Peter Black** added 2 at 76p on the first-half profits expansion, and Press comment raised **London and Northern** 1½ to 45p. The proposals to repay the stock at par resulted in a rise of 32½ to 97½p in **Wilkins and Mitchell** 6 per cent. Preference. **Brown Boveri Kent** were quoted *ex "rights" at 27p, with the* new nil-paid at 2p premium.

Motors and Distributors were moving ahead in the late trade following some good demand. **Lex Service** were again prominent, rising 3 more to 80½p for a two-day gain of 5½. **Lucas** were also 3 better at 203p, while **Rolls-Royce**, 72p, and **Dunlop**, 77p, put on 2 apiece. **Henlys** contrasted with a fall of 3 to 77½ on the reduced earnings, while **Associated Engineering** closed a fraction easier at 79p following the chairman's statement at the anual meeting.

Continuing small demand in a market still feeling the effects of a bear squeeze pushed **United Newspapers** up 7 more to 262p. The tendency otherwise in the sector was irregular, with **News International** 3 higher at 160p, but **Associated** 2 easier at 114p. Paper-Printings similarly featured **Alliance Alders** 2½ dearer at 39½p on revived bid hopes and **McCorquodale** 4 lower at 210p. Elsewhere, **Associated Book Publishers** slipped 3 to 61p and **Lowe and Brydone** a like amount to 43p.

Burmah wanted

A view that **Burmah** was making good progress in sorting out its many troubles aroused further buying which lifted the price 4 to 38p. Other Oils were relatively dormant, with **British Petroleum**, 583p, and **Shell**, 384p, both closing unaltered after having moved marginally either way. U.S. influences helped **Royal Dutch** rise ¼ to £35¼, while domestic market advices lowered **Weeks Natural Resources** 5 to 80p and **Woodside-Burmah** 4 to 130p. **Sunningdale** improved 20 to 825p.

After Tuesday's minor reaction, leading Properties took on a firmer look in very quiet trading. Press talk of a possible large "rights" offer failed to dampen sentiment *in* **British Land**, which improved 1½ to 33p. **Land Securities** hardened 3 to 192p and **MEPC** closed 2 up at 91p, after 92p. Secondary issues also displayed a firming tendency, but **Warnford Investments** contrasted with a loss *of* 6 at 172p, while **Artagen Properties**, with preliminary results expected February 10, shed 1½ to 79½. **Apex Properties**, 112p, and **United Real Property**, 210p, recorded gains of about 6 apiece, while **Clarke Nickolls and Coombs** added 4 at 39p. Improvements of 3 occurred in **Peachey Property**, 42p, and **Allnatt London**, 139p, while **Daejan**, awaiting to-day's half-year figures, hardened 3 to 55p. Good London demand lifted **Hong Kong Land** 9½ to 137p.

There was again no decided trend in Overseas Traders. **Sime Darby** were noteworthy for a rise of 6 to 125p on *fresh* demand and **Inchcape** put on 5 to 400p, while **S. and W. Berisford**, following the full report, were a penny firmer at 145p. After easing afresh by 2 to 122p, **Lonrho** showed no further change following the dividends and scrip issue statement.

Features were scarce in Trusts and Financials. A late flurry of buying left **Lampa Securities** 6 better at 133p, while demand ahead of to-morow's interim report lifted **Williams Hudson** 3 to 161p. Further consideration of the chairman's bullish remarks in the annual statement helped the **Charterhouse Group** harden a penny more to 36p.

Shippings attracted a good turnover and closed firmer throughout. Speculative buying continued for **Furness Withy**, up 7 at 222p. **Felixstowe Dock** improved 4 to 134p, while improvements of 3 were seen in **P and O Deferred**, 114p, and **British and Commonwealth**, 213p.

Allied featured Textiles, rising 7 to a 1975-76 high of 93p on the better-than-expected preliminary results which disclosed a greatly reduced borrowing deficit. Easier initially at 161p, **Courtaulds** perked up in the late dealings to close 4 better on the day at 166p. Carpet shares edged further forward, with **Youghal** a fresh 2 higher at 82p and **Stoddard "A"** 3 dearer at 42p; the latter's *interim* figures are due next Wednesday. Up 6 on Tuesday following the results and profits forecast, **Sidlaw Industries** edged forward a penny more to 71p. By way of contrast, "**Snia-Viscosa**" lost 9 to 186p.

With the two major Tobacco companies reporting preliminary figures in the next week or so, a bigger interest developed. However, **Bats** (results next Tuesday) closed only 2 better at *360p*, while **Imps** (results due February 10) ended unaltered at 82p.

Awaiting the formal offer document from McLeod Russel, which is expected within the next day or so, **Consolidated Tea and Lands** attracted buyers and firmed 20 to 340p in Teas.

Mining features

Renewed strength was seen in Australia's **Pancontinental** [illegible] after having eased to [illegible] early dealings, bounced [illegible] to a new all-time high [illegible] (a net rise on the day [illegible]) following news of a doub[illegible] the big uranium ore rese[illegible] the company's Jabiluka [illegible] deposit in Australia's N[illegible] Territory.

Further features in [illegible] markets were the sharp [illegible] shares of **Northgate Ex**[illegible] (which advanced 45 to [illegible]) its associated companies [illegible] to a strong speculative [illegible] emanating from Canada. [illegible]field Minerals jumped 22 [illegible] and Anglo United gained 7[illegible].

Platinums lost further [illegible] owing to Cape selling [illegible] **Rustenburg** chairman wa[illegible] profits in the current y[illegible] unlikely to surpass th[illegible] 1974-75 and that on presen[illegible]cations the dividend will [illegible] at its sharply reduced le[illegible]. **Potgietersrust** fell 8 to [illegible] while **Lydenburg** eased 4 to [illegible].

Coppers tended to ease [illegible] the rise in the metal price [illegible] **Palabora** 20 lower at 8[illegible] **Minorco** 3 down at 225p.

In Financials, **Charter** ro[illegible] 163p, after 166p, in a market [illegible] of stock.

South African Gold [illegible] gained ground in line wi[illegible] bullion price which rose $1[illegible] $125.25. The Gold Mines [illegible] put on 5.4 to 218.4.

Australians were gene[illegible] lower reflecting the trend in o[illegible]night markets in Melbourne [illegible] Sydney, and the easier inves[illegible] dollar premium.

Elsewhere, **Murchison** gave [illegible] 10 to 350p owing to Cape s[illegible] while persistent Japanese buying [illegible] **Silvermines** a further 4 highe[illegible] 61p.

FINANCIAL TIMES STOCK INDICES

	Jan. 28	Jan. 27	Jan. 26	Jan. 23	Jan. 22	Jan. 21
Government Secs.	63.84	63.61	63.83	63.10	62.86	[illegible]
Fixed Interest	62.98	62.88	62.88	62.22	62.08	[illegible]
Industrial Ordinary	404.6	399.5	404.1	399.8	389.5	[illegible]
Gold Mines	218.4	211.0	212.7	221.4	212.1	[illegible]
Ord. Div. Yield %	5.21	5.27	5.21	5.27	5.36	[illegible]
Earnings Y'ld % (full)	14.95	15.15	14.93	15.09	14.98	[illegible]
P/E Ratio (net) (a) (b)	9.85	9.72	9.86	9.76	9.81	[illegible]
Dealings marked	7,160	8,165	8,813	7,865	7,245	[illegible]
Equity turnover £m.	—	80.55	87.22	96.79	99.15	[illegible]
Equity bargains total	—	18,705	20,830	19,238	16,794	17,1[illegible]

10 a.m. 397.9. 11 a.m. 400.[illegible] Noon [illegible] 1 p.m. [illegible] 2 p.m. 403.9. 3 p.m. 40[illegible].9.

Latest Index [illegible].

(a) Based on 52 per cent. corporation tax. (b) Nil=[illegible].

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/[illegible] Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	63.84 (28/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.98 (28/1/76)	50.53 (3/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	404.6 (28/1/76)	146.0 (6/1/75)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5/75)	187.1 (20/1/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 28
Daily—	
Gilt-Edged	197.0
Industries	247.8
Speculative	69.5
Totals	185.0
5-day Average	
Gilt-Edged	218.5
Industrials	269.9
Speculative	82.4
Totals	178.7

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed. Jan. 28, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Tuesday Jan. 27 Index No.	Monday Jan. 26 Index No.	Friday Jan. 23 Index No.	Thur. Jan. 22 Index No.	Year ago (approx.) Index No.	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (175)	182.09	−0.1	15.81	5.56	8.95	8.94	182.18	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (29)	146.71	−0.5	11.68	6.77	13.34	13.35	146.14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (23)	247.85	+0.4	14.42	5.88	10.72	10.72	246.89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (16)	369.51	−0.4	16.20	4.42	9.06	9.06	370.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering (Heavy) (13)	177.39	−0.2	17.85	6.82	9.19	9.19	177.68	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Engineering (General) (63)	134.76	+0.2	16.60	6.28	9.08	9.07	134.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	Machine and Other Tools (9)	53.08	+0.1	19.90	7.96	11.35	11.55	53.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Miscellaneous (25)	151.25	−0.1	15.81	6.43	9.61	9.61	151.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	CONSUMER GOODS (DURABLE) (56)	129.12	—	14.60	4.88	10.32	10.31	129.12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Electronics, Radio TV etc. (15)	146.48	−0.3	13.28	3.66	11.27	11.28	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	Household Goods (14)	179.41	—	13.35	5.95	10.94	10.81	179.54	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	Motors and Distributors (27)	75.06	+0.6	17.18	6.56	8.82	8.92	74.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	CONSUMER GOODS (NON-DURABLE) (168)	158.61	+0.4	12.69	5.51	11.64	11.59	158.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Breweries (15)	174.07	−0.6	12.93	6.20	11.60	11.60	175.14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
15	Wines and Spirits (7)	182.07	−1.0	10.17	5.54	14.93	14.93	185.82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Entertainment, Catering (16)	202.38	−0.2	11.12	6.04	14.39	13.75	202.74	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Food Manufacturing (22)	167.89	+0.1	12.94	4.93	10.88	10.81	167.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
18	Food Retailing (18)	147.77	−0.7	10.73	4.68	13.56	13.56	148.81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
19	Newspapers, Publishing (15)	173.94	−0.1	12.97	5.81	11.57	11.67	174.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20	Packaging and Paper (13)	108.47	+0.3	20.38	7.04	7.30	7.31	108.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	Stores (33)	133.29	+1.7	11.24	5.08	13.66	13.64	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Textiles (22)	179.69	+0.8	13.26	8.01	9.71	9.11	178.22	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	Tobaccos (3)	227.15	+0.2	15.28	8.94	9.96	9.96	226.78	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Toys and Games (6)	59.72	−0.2	22.85	6.66	6.10	6.10	59.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	OTHER GROUPS (94)															
25	Chemicals (24)	211.86	+0.6	13.22	4.55	10.61	10.60	210.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Office Equipment (10)	90.91	−0.9	15.38	5.74	10.63	10.53	91.71	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Shipping (12)	420.75	+1.9	17.91	5.77	7.14	6.86	413.01	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
28	Miscellaneous (48)	168.94	+0.3	13.98	6.25	10.64	10.55	168.51	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	INDUSTRIAL GROUP (496)	160.38	+0.5	13.69	5.42	10.74	10.67	159.94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
30	OILS (4)	335.90	—	15.07	4.82	7.41	6.64	333.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
31	500 SHARE INDEX	174.98	+0.2	13.89	5.33	10.06	9.61	174.58	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	FINANCIAL GROUP (100)	150.76	—	—	4.69	—	—	150.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Banks (6)	188.17	+0.5	15.40	4.26	9.92	9.92	186.16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Discount Houses (10)	176.06	—	—	6.98	—	—	176.12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Hire Purchase (5)	118.48	−0.2	—	5.57	—	—	118.72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Insurance (Life) (8)	128.14	−0.2	—	6.34	—	—	128.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	Insurance (Composite) (7)	118.08	−0.5	—	6.81	—	—	118.69	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
38	Insurance Brokers (9)	293.56	−0.7	9.27	4.06	16.27	16.27	295.11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Merchant Banks (17)	93.10	−0.8	—	5.91	—	—	93.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40	Property (32)	189.85	+0.8	2.41	2.57	79.08	73.45	188.32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	Miscellaneous (5)	86.94	−0.2	14.77	6.25	10.61	10.61	87.08	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Investment Trusts (50)	179.70	−1.1	2.80	3.98	35.75	35.71	181.76	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	ALL-SHARE INDEX (650)	169.01	+0.1	—	5.13	—	—	168.81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	423.63	+1.2	15.13	7.93	10.16	10.12	418.81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Teas (9)	120.83	+1.3	38.12	8.57	3.76	3.69	119.26	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Coppers (3)	272.02	−1.1	36.33	6.32	2.75	2.75	275.17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47	Mining Finance (11)	[illegible]	−0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48	Tins (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	Overseas Traders (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	FIXED INTEREST	Wed. Jan. 28 Index No.	Yield %	Tues. Jan. 27	Monday Jan. 26	Friday Jan. 23	Thurs. Jan. 22	Wed. Jan. 21	Tuesday Jan. 20	Mon. Jan. 19	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	20-yr. Govt. Stocks (6)	51.72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	20-yr. Red. Deb. & Loans (15)	50.89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trust Prefs. (15)	49.99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml and Indl. Prefs. (20)	69.94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group / Base Date / Base Value: [illegible]. † Redemption yield. [illegible] FT-Actuaries indices [illegible] the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY [illegible].

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
Reed Intl.	£1	12	282	+8	297	134
P & O Dfd.	£1	11	114	+3	128	59½
"Bats"	25p	10	360	+2	360	164
GUS "A"	25p	10	214	+6	226	86
ICI	£1	10	367	+5	367	118
Barclays Bank	£1	9	345	+3	348	112
Boots	25p	9	140	+3	148	45½
Burmah Oil	£1	9	38	+4	100	27
Charter Cons.	25p	9	163	+5	205	87
Distillers	50p	9	148	+½	151	65½
Dunlop	50p	9	77	+2	78	17
GEC	25p	9	157	+1	158	51
Marks & Spencer	25p	9	103	+2	128	47½
Beecham	25p	8	348	+5	356	116
BP	£1	8	583	—	615	190

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 20	Feb. 2	Apr. 14	Apr. 28
Feb. 3	Feb. 16	Apr. 29	May 11
Feb. 17	Mar. 1	May 13	May 25

"Calls" were dealt in Imperial Group, Slater Walker, Avon Rubber, Burmah Oil, E. Bates, Booker McConnell, Amalgamated Investment, Reyrolle Parsons, British Rollmakers, Gough Cooper, Charterhall Finance and Grand Metropolitan. A "put" was done in National Carbonising, while "doubles" were arranged in Central Manufacturing, Charterhall Finance, Avon Rubber and A.T.V. "A".

Industrials							
A. P. Cement	15	Guardian	30	Spillers	5	Shell	28
Assoc. Leisure	3	G.K.N.	22	Tesco	6	Ultramar	20
Barclays Bank	25	Hawker Sidd.	27	Thorn "A"	20	Mines	
Beecham	20	House of Fraser	6	Tube Invest.	27	Anglo Amer.	50
Boots Drug	12	I.C.I.	21	Unilever	40	Charter Cons.	19
Bowaters	15	"Imps"	7	Utd. Drapery	10	Chart'h'll Fin.	6
B.A.T.	30	I.C.L.	7	Vickers	15	Cons. Gold	18
British Leyland	7	Inveresk	7	Williams Hud'n	4	De Beers Def.	35
BOC Int.	5½	Legal & General	15	Woolworths	6	F. S. Geduld	350
Burton 'A'	7	Ladbroke	11			Great Boulder	12
[illegible]		Lloyds Bank	22	Property		Hampton Areas	14
[illegible]		"Lots"	5½	Amal. Inv.	4	[illegible]	
Eagle Star	18	P & O Dfd.	11	Peachey	6	Pres. Steyn	275
E.M.I.	17	Plessey	8	Town & City	4½	Rio T. Zinc	20
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	55
Gen. Electric	13	Bank Org. 'A'	18			West Areas	75
Glaxo	35	Reed Int'l	25	Oils		Western M'ng.	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	42		
G.U.S. 'A'	17	Slater Walker	5½	Burmah Oil	4		

NEW HIGHS AND LOWS FOR 1975/76

Too numerous to name individually, the 151 new 1975-76 highs recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 2 new lows.

NEW HIGHS (151)

BRITISH FUNDS (13)
CORPORATION LOANS (2)
FOREIGN BONDS (1)
AMERICANS (10)
CANADIANS (3)
BANKS (3)
BEERS (1)
BUILDINGS (6)
CHEMICALS (2)
CINEMAS (1)
DRAPERY & STORES (5)
ELECTRICALS (5)
ENGINEERING (21)
FOODS (3)
HOTELS (1)
INDUSTRIALS (27)
INSURANCE (2)
MOTORS (7)
NEWSPAPERS (3)
PAPER & PRINTING (3)
PROPERTY (8)
SHIPPING (2)
TEXTILES (8)
TRUSTS (11)
OILS (2)
OVERSEAS TRADERS (1)
RUBBERS (1)
TEAS (1)
MINES (1)

NEW LOWS (2)

ENGINEERING (1)
Beeston Foundry
MINES (1)
Sungei Besi

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	8	12	16
Plantations	13	1	33
Mines	47	31	73
Recent Issues	4	7	18
Totals	608	585	1,574

MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 10½ per cent. (since January 23, 1976)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave a large amount of assistance by buying Treasury bills and corporation bills from the discount houses. Government disbursements exceeded revenue payments to the Exchequer and a fall in the note circulation was also in the market's favour. These were outweighed by slightly run-down balances carried forward by the banks, a net market take-up of Treasury bills, maturing local authority bills, and settlement of small sales of gilt-edged stock.

Discount houses paid 10½-10⅝ per cent. for secured call loans at the start and closing balances were taken at around 9¾-10½ per cent.

In the inter-bank market overnight loans opened at 10½-10¾ per cent. and after touching 11¼-11½ per cent., closed at 10-10½ per cent.

Short-term fixed period interest rates were generally firmer in the very short periods, but recorded little change in longer periods.

Rates in the table below are nominal in some cases.

Jan. 28 1976	Sterling Certificate of deposits	Interbank	Local Authority deposits†	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ǂ	Bank bills ǂ	Fine trade bills ǂ
Overnight	—	10-11½	—	—	—	10-11½	9¾-10¾	—	—	—
2 days notice	—	—	10⅛-10⅝	—	—	—	—	—	—	—
7 days or 7 days notice	—	10⅜-10½	10⅛-10⅜	—	—	—	10¼-10½	—	—	—
One month	10⅛-10	10⅛-10⅛	10⅛	10⅛-10	10¼-11	—	9⅞-10	9¾-9⅝	—	—
Two months	10⅛-9⅞	9⅞-10	—	10⅛-10	10¼-11	—	9⅝-9¾	9⅝-9¾	10⅛	11-10⅝
Three months	9⅞-9⅝	9¾-9⅞	10-10⅛	10⅛-10	10⅛-11	—	9⅝	9⅛-9⅞	9⅞	11-10½
Six months	9⅞-9⅞	9¾-9⅞	10-10⅛	10¼-9¾	10⅛-11	—	—	—	9¾-9⅞	11-10⅞
Nine months	9⅞-9⅞	9⅞-9⅞	—	10¼-9¾	10¼-11	—	—	—	9½	11-10⅞
One year	10⅛-10	10-10⅛	10⅞-10⅝	10⅛-10	10¼-11	—	—	—	—	—
Two years	—	—	11⅛	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12¾-12⅞ per cent.; four years 13 per cent.; five years 13⅛-13¼ per cent. ǂ Bank bill rates in table are buying rates for prime paper, buying rates for four-month bank bills 9⅞-9⅝ per cent.; and four-month trade bills 11-10⅞ per cent. Approximate selling rate for one-month Treasury bills 9⅝ per cent.; two-month 9[illegible] per cent.; three-month [illegible] per cent. Approximate selling rate for one-month Bank bills 9[illegible] per cent.; two-month 9[illegible] per cent.; three-month [illegible] per cent.; for one-month trade bills 10[illegible] per cent.; two-month 10[illegible] per cent.; and three-month 10[illegible] per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from January 1. Clearing Bank Deposit Rate for small sums at seven days' notice 6½ per cent. Clearing Bank Rates for lending 10½ per cent. Treasury Bills: Average tender rates of discount 9.[illegible] per cent.

BASE LENDING RATES

AFI International [illegible]
Allied Irish Banks Ltd. [illegible]
Anglo-Portuguese Bank [illegible]
Henry Ansbacher [illegible]
Banco de Bilbao [illegible]
Banco de Jerez [illegible]
Bank of Cyprus [illegible]
Bank of N.S.W. [illegible]
Banque du Rhone S.A. [illegible]
Barclays Bank [illegible]
Barnett Christie Ltd. [illegible]
Bremar Holdings Ltd. [illegible]
Brit. Bank of Mid. East [illegible]
■ Brown Shipley [illegible]
Cayzer, Bowater Co. Ltd. [illegible]
Cedar Holdings [illegible]
■ Charterhouse Japhet [illegible]
C. E. Coates [illegible]
Consolidated Credits [illegible]
Co-operative Bank [illegible]
Corinthian Securities [illegible]
Credit Lyonnais [illegible]
G. R. Dawes [illegible]
Duboff Brothers [illegible]
Duncan Lawrie [illegible]
English Transcont. [illegible]
First London Secs. [illegible]
■ Antony Gibbs [illegible]
Goode Durrant Trust [illegible]
Greyhound Guaranty [illegible]
Grindlays Bank [illegible]
■ Guinness Mahon [illegible]
■ Hambros Bank [illegible]
Hawtin & Partners [illegible]
■ Hill Samuel [illegible]
C. Hoare & Co. [illegible]
Julian S. Hodge [illegible]
Industrial Bank of Scot. [illegible]
Keyser Ullmann [illegible]
Knowsley & Co. Ltd. [illegible]
Lloyds Bank [illegible]
London & European [illegible]
London Mercantile [illegible]
Midland Bank [illegible]
■ Samuel Montagu [illegible]
■ Morgan Grenfell [illegible]
National Westminster [illegible]
Northern Comm. Trust [illegible]
Norwich General Trust [illegible]
Portman Guaranty [illegible]
P. S. Refson & Co. [illegible]
Rossminster Accept's [illegible]
Schlesinger Limited [illegible]
E. S. Schwab [illegible]
Security Trust Co. Ltd. [illegible]
Shenley Trust [illegible]
Standard Chartered [illegible]
Sterling Credit [illegible]
Thames Guaranty [illegible]
Trade Development Bk. [illegible]
Twentieth Century Bk. [illegible]
United Bank of Kuwait [illegible]
Whiteaway Laidlaw [illegible]
Williams & Glyn's [illegible]
Yorkshire Bank [illegible]

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month [illegible]
† 7-day deposits on sums of £[illegible] and under [illegible] over £25,000 [illegible]
‡ Demand deposits [illegible]

CORAL INDEX
Close 405-410

I.G. INDEX
GOLD 126-129

INSURANCE BASE RATES

† Atlantic Assurance [illegible]
Cannon Assurance [illegible]
† Address shown under Insurance and Property Bond table.

هكذا صه الأصل

AUTHORISED UNIT TRUSTS

[illegible]

REGIONAL MARKETS

[illegible]

Hallam Sleigh 10p	7		Sindall (Wm.)	53	
Higsons Brew.	43		**IRISH**		
I.O.M. Stm. £1	130				
Holt (Jos.) 25p	240		Alliance Gas (£1)	85	−1
Kloch-e-Ze	18		Carroll (P. J.)	125	
Lovell's Ship £1	70		Clondalkin	46	
N'tha. Goldsmith	[illegible]		Concrete Prods.	85	
P.M.A.	56	−1	Goodbody (£1)	34	
Pearce (C. H.)	80		Helton (Hldgs.)	34	
Peel Mills	12		Irish Distillers	62	
Richards 10p	15½		Irish Wire	48	
Rob. Caledonian	45		Jacob	78	−2
Sayers 12½p	11		Sunbeam	23	
Sheffield Brick	70		Unidare	70	
Sheff. Refrshmt.	140				

[LEA]DERS AND LAGGARDS

[The foll]owing table shows the percentage changes* which have taken place since [Dec.] 31, 1974, in the principal equity sections of the F.T.-Actuaries Share [Index. It] also contains the F.T. Gold Mines Index.

[...]al and Catering	[illegible]	All-share Index	+152.37
Distributors	[illegible]	Industrial Group	+150.89
Radio and TV	[illegible]	Insurance (Composite)	+147.3[illegible]
[...]oods (Durable) Group	[illegible]	Food Retailing	+146.1[illegible]
Brokers)	[illegible]	Financial Group	+145.92
[...]and Construction	[illegible]	Machine Tools	+144.38
[...]aterials	[illegible]	Investment Trusts	+138.00
[...]and Publishing	[illegible]	Consumer Goods (Non-durable)	
	+182.66	Group	+137.96
(General)	+175.97	Overseas Traders	+132.23
[...]s Group	+174.56	Stores	+132.17
	+172.21	Packaging and Paper	+125.68
[...]oods	+169.57	Wines and Spirits	+116.72
	+167.51	Breweries	+114.90
[...]anks, Issuing Houses	+165.81	Discount Houses	+102.98
	+165.69	Shipping	+ 92.50
[...]Life)	+164.38	Office Equipment	+ 90.96
(Heavy)	+162.57	Property	+ 90.90
[...]ances	+159.92	Tobacco	+ 89.92
[...]acturing	+157.29	Teas	+ 83.57
	+156.46	Tins	+ 48.18
[...]dex	+156.25	Rubbers	+ 45.81
[...]es	+155.39	Mining Finance	+ 24.73

[...]BURN INVESTMENT TRUST LIMITED

[The f]ollowing is an extract from the statement by the Chairman, Mr. D. Meinertzhagen.

[In my] statement last year, I pointed out some of the major [uncert]ainties facing world economies, and, whilst the [econom]ic climate has shown some improvement since then, [the o]utlook during 1975 remained unpredictable, parti[cularl]y in the United Kingdom. In these circumstances, your [Board] decided to increase the proportion of funds invested [overse]as, especially in the United States, and kept larger [sums t]han usual in liquid form. In consequence, the revenue [availab]le for ordinary stockholders fell from £1,045,256 to [...]0, mainly as a result of a reduction in franked [incom]e, while the income from the company's larger deposits [showe]d a small rise in spite of a fall in interest rates.

INCREASED DIVIDEND

[The B]oard, although remaining cautious about the outlook [for th]e company's revenue, feels justified in recommending [a fina]l dividend of 2.10p per ordinary stock unit which [makes] a total of 3.15p for the year. During the year the [compa]ny's assets before deducting prior charges, but after [deduct]ing the proposed final dividend, rose by 60.8 per [cent a]nd the net assets available to stockholders, after full [conver]sion of the loan stock, rose by 75.0 per cent.

UNCERTAIN OUTLOOK

[Whilst] there are encouraging signs that the Government has [abandon]ed some of its more doctrinaire policies and that the [people] of this country, as a whole, have not only recognised [the da]ngers of inflation but are prepared to support [Governme]nt measures to defeat it, the world outlook is still [u]nsettled. At home, much will depend on the success [of the] Government's efforts to contain and reduce the rate [of infla]tion and its ability to stick to its policies to this end [despite] mounting pressure for reflationary moves, especially [in the] face of escalating unemployment. We may take [some] comfort from indications that the rate of inflation [is, in f]act, declining and from the world-wide fall in interest [rates w]hich this country has been able to follow.

[Copies] of the annual report and accounts are available [from] The Secretaries, Lazard Brothers & Co. Limited, 21 Moorfields, London EC2P 2HT.

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975/6 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅝	94⅝	Exch.6½pc.1976‡‡	99⅝xd	....	—	9.75
98⅛	92⅛	Treasury 6½pc 1976‡‡	98⅛xd	+⅛	6.60	9.56
99	97	Victory 4pc 1976‡‡	98⅝	......	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	100½	+⅛	10.45	9.80
96⅝	88⅞	Treasury 6¼pc 1977‡‡	96⅝	−⅛	6.46	9.34
95⅞	86¼	Electric 3pc '74-77	95⅞	+⅛	3.13	6.86
103⅝	96⅞	Treasury 11½pc '77‡‡	101¼	−⅛	11.30	10.27
94	84	Treasury 3pc '77‡‡	93⅞	....	3.19	6.65
93¼	84⅞	Transport 4pc '72-77	93¼	....	4.27	7.59
96⅝	90½	Treasury 9pc 1978‡‡	96⅝	+⅛	9.33	10.92
100⅛	96	Treasury 10½pc '78‡‡	99⅝	+⅛	10.54	10.66
92½	79	Exchequer 5pc '76-78‡‡	92¼	...	5.42	8.29
103	94⅞	Treasury 11½pc '79‡‡	101⅝	+⅛	11.34	10.98
86½	71⅞	Treasury 3pc '79‡‡	86½	+⅛	3.47	7.29
87½	73⅞	Electric 4¼pc '74-79	87½	+⅛	4.86	8.27
100⅛	94½	Treasury 10½pc '79‡‡	97⅝	+⅛	10.75	11.24
97⅝	95⅛	Do. 10½ 1979 'A'	97⅝	+⅛	10.75	11.24
86⅝	71	Electric 3½pc '76-79	86⅝	−⅛	0.04	7.61
95	84	Treasury 9pc 1980‡‡	93⅛xd	+⅛	9.66	11.13
95⅛	89¼	Treasury 9½pc '80‡‡	93⅝	+⅛	10.15	11.42
93⅝	92¼	Treas. 9½ 1980	93⅝	+⅛	10.15	11.43
85¼	68¼	Treasury 3½pc '77-80	85¼	......	4.08	7.36
87⅞	71	Funding 5¼pc '78-80‡‡	87⅞	......	6.01	8.77
101⅛	94⅝	Treasury 11½pc 1981	101⅛xd	+⅛	11.36	11.16
		Five to Fifteen Years				
85	66⅛	Treasury 3½pc '79-81	85xd	+¼	4.11	7.04
91⅛	72⅞	Do 8½pc '80-82‡‡	89xd	+¼	9.59	11.14
105¼	86⅝	Treasury 12pc 1983‡‡	105¼	+¼	11.90	11.81
78⅛	58	Funding 5½pc '82-84‡‡	78½xd	+⅛	7.06	9.51
85¼	61⅞	Treasury 8½pc '84-86‡‡	84⅛	+⅛	10.16	11.19
73¼	51⅞	Funding 6½pc '85-87‡‡	72⅞	+⅛	9.12	11.00
76¼	53	Treasury 7¾pc '85-88‡‡	75⅛xd	+⅛	10.32	11.66
49⅝	32⅞	Transport 3pc '78-88	49⅞	+⅛	6.07	10.32
57⅞	39¼	Treasury 5pc '86-89	57⅞	+⅛	8.86	11.33
99¼	96	Treasury 13pc 1990‡‡	99	+⅛	13.20	13.22
75½	53¼	Treasury 8¼ 87-90‡‡	73⅝	+⅛	11.36	12.36
		Over Fifteen Years				
58	41⅞	Funding 5½pc '87-91‡‡	58	+⅛	10.24	12.23
96	85½	Treasury 12¾pc '92‡‡	95⅞	+⅛	13.33	13.41

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 66⅞% (based on $2.0310 per £)

CANADIANS

S.E. List Premium 66⅞% (based on $2.0282 per £)

Conversion factor 0.5985 (0.5007)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا اصل الأصل

هكذا اصه الأصل

INDUSTRIALS—Continued

Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
140	Jardine M. HK$5	443	+19	hQ10%	2.5	1.3	30.9
5	Jentique 5p	10	......	0.49	2.4	7.6	8.3
10	John'n & B. 12½p	21	......	hd0.78	2.4	6.2	(4.0)
20	Johnson Clnrs.	36	−1	†2.18	1.7	9.3	9.5
120	Johnson Mth. £1	375	......	10.23	4.5	4.2	8.1
18	Jurdge Int.	32	......	1.85	1.7	9.2	9.8
14½	Kalamazoo 10p	23	......	1.57	1.4	10.5	18.5
20	Kelsey Ind. 12½p	54	......	2.63	3.5	7.5	5.8
9	Kennedy Sm. 10p	20	......	1.38	1.9	10.7	7.8
325	Kershaw (A.) 5p	660	−50	12.81	ϕ	3.0	ϕ
66	Kleeman	220	......	†3.89	5.0	2.7	11.3
15	Kode Int.	29	......	†1.23	3.5	6.5	6.8
24	L.C.P. Hlds.	74	+½	‡3.9	2.4	8.1	10.6
11	L.K. Ind. Inv.	25	−1	†d1.96	1.6	12.1	7.0
13½	L.R.C. Int. 10p	46xd	+½	†2.0	1.1	6.4	21.5
56	Lamson Inds.	78	−1	2.74	2.5	5.4	10.6
26	Lawtex	33	−1	2.58	2.0	12.1	5.6
48	Lead Inds. 50p	129	......	†4.69	3.9	5.6	7.1
24	Leadenhall Stg.	57	......	†3.32	2.4	9.1	5.9
17	Le Bas (Ed.)	50	+1	†1.36	8.5	4.2	4.3
15	Leboff Fobel 10p	41	......	†1.48	4.2	5.6	11.7
19	Lebus Harris	50	+4	2.0	0.2	6.2	—
12	Leigh Ints. 5p	32	+2	0.73	5.8	3.5	7.5
35	Leisure Car. 10p	83	......	†4.82	1.7	8.9	11.2
59	Lep Group 10p	129	−1	2.54	5.9	3.0	7.5
12	Lesney Prods. 5p	37	−1	g0.84	7.6	3.5	5.2
13	Letraset 10p	69xd	+2	†s1.28	4.6	2.8	11.0
5½	Liden 10p	13	......	0.17	2.4	2.0	26.2
13½	Light & Leis. 10p	37	......	†2.0	3.7	8.9	8.2
20	Lindsay & Wms.	24	......	‡3.06	3.6	‡	2.2
28½	Lindustries	63xd	......	†3.76	3.4	9.2	4.6
23	Lipton (L.)	35	......	‡2.4	2.0	‡	7.2
15¼	Lon. & Nthn. Grp.	45	+1½	3.35	1.7	11.5	7.7
8	Long Hambly 10p	16	+1	1.17	2.0	11.3	6.7
19	Longton Trans.	29	......	2.84	†1.9	15.1	5.3

[illegible]

††INSURANCE

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
83	18	Bowring (C.T.)	79	−1	†2.11	2.2	4.1	[illegible]
94	19	Brentnall Bd. 10p	68	......	13.43	ϕ	6.0	[illegible]
160	60	Britannic 5p	154	−2	7.0	—	7.0	—
970	440	Comb. Ins. Am.$1	925xd	......	1Q66c	—	3.4	—
194	72	Comm. Union	154	−1	6.77	—	6.8	—
139	55	Eagle Star	138	+1	†4.99	—	5.6	—
£125	£100	Ennia CK 8% Cnv.	£121	−1	Q9%	—	(7.5)	—
198	50	Equity & Law 5p	184	......	5.1	—	4.3	—
185	67	Gen. Accident	185	+1	†5.4	—	4.5	—
224	89	Guardian Royal	223	+2	†7.75	—	5.4	—
292	82	Heath (C.E.) 20p	253	......	†6.1	3.9	3.3	[illegible]
156	37½	Hogg Robinson	156xd	......	†h3.23	3.7	3.2	[illegible]
150	30	Howden (A.) 10p	126	−2	g2.35	4.6	2.9	[illegible]
148	43½	Legal & Gen. 5p	140	−2	14.36	—	4.8	—
125	33	Lon. & Gdwn. 10p	105	......	3.39	2.3	5.0	[illegible]
143	48	Lon. & Man. 5p	136	−2	†4.35	—	4.9	—
178	63	Matthew Wr. 20p	170	......	†7.39	1.5	6.7	[illegible]
125	38	Minet Hldgs. 20p	103	......	†2.36	3.8	3.4	[illegible]
250	93½	Pearl 5p	245	−2	9.6	—	6.0	—
236	87	Phoenix	236	......	†8.23	—	5.4	—
145	60	Provident "A"	145	......	g6.65	—	7.1	—
145	60	Do. "B"	145	......	g6.65	—	7.1	—
142½	52	Prudential 5p	140	−2	†5.07	—	5.6	—
130	48	Refuge "B" 5p	128	......	6.25	—	7.5	—
336	106	Royal	336	+4	†13.39	—	6.1	—
275	99	Sedg. Forbes 10p	246	−2	†7.81	1.8	4.9	[illegible]
93	29	Stenhouse	87	......	3.3	ϕ	6.0	[illegible]
460	175	Sun Alliance £1	460	+5	g15.38	—	5.1	—
95	32	Sun Life 5p	93	−1	2.53	—	4.1	—
870	595	Tok. Mar'e. EDR.	850	−20	Q11%	—	1.0	—
157	85	Trade Indem.	157	......	†6.41	—	6.3	—
£23⅞	£14	Travelers $2.50	£22¼xd	......	Q$1.08	—	2.3	—

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	250	Durban Deep R1	335	......	Q20c	ϕ	3.3
£14	440	E. Rand Prp. R1	460	+10	Q35c	ϕ	4.2
105	16	Rand Leases 2½c	16	......	—	—	—
£34½	£12¾	RandF'tn Est. R2	£14¾	+1	—	—	—
500	120	West Rand R1	135	+2	Q10c	ϕ	4.1

EASTERN RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	160	Bracken R1	180	+8	Q52c	1.0	16.0
23	5	Daggafontein 50c	7	......	—	—	—
105	25	East Dag R1	26	......	—	—	—
—	—	Gvat. Areas 5c	140#	......	—	—	—
380	100	Grootvlei 30c	105	......	Q20c	ϕ	10.5
820	385	Kinross R1	425	+15	Q54c	1.4	7.0
90	52	Leslie 70c	58	+1	Q18c	1.4	17.2
550	150	Marievale 70c	160	+5	Q42c	ϕ	14.5
725	155	S. African Ld. 35c	180	+5	Q30c	ϕ	9.2
265	80	Vlakfontein R1	85	......	Q20c	ϕ	13.0
£13¾	660	Winkelhaak R1	750	+10	Q108	1.1	8.0
120	28	Wit. Nigel 25c	32	+1	—	—	1.4

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	42	Botswana RST R2	56	......	—	—	—
390	196	Messina R0.50	320	......	Q35c	1.9	6.0

MISCELLANEOUS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Charterhall 5p	38½	−½	—	—	—
880	360	Cons. Murch. 10c	850	−10	Q80c	ϕ	5.2
53½	29½	Lanrasia	35	−1	—	—	—
375	200	Northgate C$1	335	+45	tQ25c	1.0	4.1
211	80	R.T.Z.	190	......	g5.51	4.4	4.5
135	47½	Sabina Inds. C$1	105	+5	—	—	—
81	45	Stanford Mines‖	45	......	—	—	—
£12½	874	Tara Explm. $1	£10½	......	—	—	—
100	38	Yukon Cons. C$1	100	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 20

FINANCIAL TIMES

Thursday January 29 1976

Plowden urges one Board for electricity

BY ROY HODSON

THE ESTABLISHMENT of a single national body called the Central Electricity Board to run the electricity industry in England and Wales is the main recommendation in the report of Lord Plowden's committee into the structure of the industry in England and Wales published last night.

Mr. Anthony Wedgwood Benn, Secretary for Energy, has asked the electricity industry and the unions to comment quickly. He hopes to introduce a Bill based upon the Plowden recommendations in the next Parliamentary session.

The committee, which numbered Mr. Frank Chapple, secretary of the Electrical and Plumbing Trades Union among its members, unanimously rejects TUC proposals that the industry should be governed by a Board composed of equal numbers of trade union and government-appointed representatives. Such a Board could not have a common purpose in the committee's view.

The report states: "In any move to bring employee directors on to the Board, the initiative must come from within the industry and must be supported by both management and employees."

Mr. Frank Chapple sat at the side of Lord Plowden last night to answer questions on the report. Mr. Chapple said he associated himself completely with the report and he rejected the TUC's submission. Lord Plowden said the general view of the committee was that worker participation was something that should "grow from the bottom," when everyone in the industry wanted it.

The committee's proposals do not, however, slam the door on any form of employee representation. The suggested composition of the 12-member Board provides for six part-time members, some of whom could be drawn from the unions.

Lord Plowden — worker participation should grow from the bottom.

It is not the intention of the committee that the electricity industry should become more remote from customers. Although the present area Boards would be replaced with operating units—covering the same areas of the country—the units would be encouraged to manage the distribution and selling of electricity with considerable independence according to local needs.

The Plowden committee has given attention to providing greater consumer protection against "the abuse of monopoly power." It recommends that a body to be called the National Electricity Consultative Council should be established with a secretariat to assist it and powers to speak with authority on behalf of all consumers.

The report considered the question of introducing a single national tariff for electricity. At present the tariffs are set by individual area Boards. The suggested future pattern is that tariffs should continue to reflect local differences in the cost of electricity supply but that they should be brought under firmer national control than at present.

The proposed Central Electricity Board would have about 12 members and the Plowden committee recommends that the two main arms of the industry—electricity generation and commercial—should be run by chief executives responsible directly to the Board.

Streamlining

There is a widespread feeling in Government and in the industry that the present electricity industry structure needs streamlining to speed the pace of decision-making.

The proposed Central Electricity Board would replace the present Electricity Council, which is responsible for policy, the Central Electricity Generating Board, and the 12 area Boards.

The Structure of the Electricity Supply Industry in England and Wales Report of the Committee of Inquiry. Cmnd. 6383. SO, 95p.

Editorial Comment and Feature Page 16

Coal will go up 15% in April

BY ROY HODSON

THE rise in coal prices forecast recently by Sir Derek Ezra, chairman of the National Coal Board, will take place in April and will be about 15 per cent.

The effect of that and other recent cost increases on the electricity industry will be to put up bills to both domestic and industrial consumers by between 15 per cent. and 20 per cent. by the late summer.

The coming coal price rise will remove the competitive edge that coal has enjoyed over oil during the winter for power generation. The electricity industry believes that oil will be the cheaper of the two fuels after April if oil prices continue to be depressed.

During the winter the decline in the demand for electricity—at times more than 10 per cent. below the same period a year earlier—coupled with stable coal prices led the Central Electricity Generating Board to make a big switch from oil to coal. Oil consumption in the power stations, it was disclosed this week, has fallen to 9.2m. tons for 1975-76—33 per cent. lower than in the previous year.

Mr. Anthony Wedgwood Benn, the Energy Secretary, is supporting the National Coal Board and the miners in a submission that the power industry should further increase its use of coal by an extra several million tons at the expense of oil. A joint meeting under his chairmanship is arranged for February to discuss the proposal.

The prospect of higher coal prices will alter all the calculations. The electricity industry will point out that any extra coal supplies it takes will be more expensive than oil. The industry will press its case that it must be allowed to burn more oil rather than coal as the economy picks up if electricity price increases are to be kept to the minimum.

Retailers deny excessive profits Page 8

Continued from Page 1

Equity bank talks to-day

of competent managers and directors who could strengthen or support an existing management."

The range of anxieties being expressed about EIL is clear from the memorandum sent out with the draft report which is dated December 30, 1975.

The origins of the initiative by the Bank of England's industrial adviser, Sir Henry Benson, in the middle of last year, is traced to expressions of anxiety by the British Insurance Association to the Bank of England about criticism over lack of investment in industry being voiced in "responsible quarters."

At the same time, it seems, one of the large pension funds expressed similar anxiety to the Bank.

Concern about why the proposed authorised capital of EIL was set at so high a figure as £500m. is explained by the need to "demonstrate that the subscribing institutions are ready to contemplate a serious contribution spread over a period of time."

Other fears being expressed by institutions who are being asked to subscribe, include concern that EIL could become too closely involved with national politics.

Thus, the memorandum points out that the board will have "no political associations or affiliations." It concedes, however, that "no one can foretell whether EIL, like any other enterprise in the U.K., will be subject to political pressures or coercion."

The memorandum concludes by saying that if the formation of EIL does not take place as a result of one of the sectors failing to give support, it is felt that the effect would be "most damaging to the reputation of the City as a whole."

Fears growing of return to 'Cod War'

BY JON MAGNUSSON IN REYKJAVIK AND MALCOLM RUTHERFORD IN LONDON

FEARS were growing last night of a return to the "Cod War" after the Icelandic Government failed to provide an early reply to the latest British proposals.

Mr. Harold Wilson told the Commons he had already found it necessary to make renewed contact with Mr. Geir Hallgrimsson, the Icelandic Prime Minister, to re-emphasise the need to avoid incidents.

Mr. Wilson is understood to have been alarmed by reports of menacing movements by Icelandic gunboats.

The Prime Minister also repeated assurances to the House that if harrassment of British trawlers is resumed, the Royal Navy protection, which was withdrawn 10 days ago, will be restored.

He gave no hint, however, of the details of his four days of talks with Mr. Hallgrimsson.

Officials in Reykjavik said Iceland made no new offers in the talks. hTey claimed Britain offered a slight reduction in its annual catch, but that no agreement was reached and Mr. Hallgrimsson returned home on Tuesday night without even the draft of an agreement.

Mr. Hallgrimsson spent most of yesterday in consultations with his Cabinet and other political leaders including members of the Opposition parties hostile to a settlement.

These consultations will be continued to-day and could even drag on over the week-end. It is this delay which is raising fears of new incidents.

The skippers of the British trawlers yesterday morning sent a joint cable to their Guild in Hull expressing their anxieties.

It read: "Trawlers not allowed to move from support vessels. Protection non-existent. Been laid-to 30 hours in fine weather. Skippers' tempers fraying. Morale low. Prospects of catching fish under these conditions absolutely nil."

Later in the day, however, some fishing was resumed.

Mr. Wilson told the Commons that "various formulae" had been considered in his talks with Mr. Hallgrimsson, but that finding a solution "will not be easy."

The Icelanders have been given the minimum catch figure which would be acceptable to Britain. But there are various possible ways of achieving it and detailed discusions of such things as designated fishing areas and mesh sizes have not yet taken place.

Mr. Wilson also attempted to take the talks forward to the time when Britain expects to have declared its own 200-mile fishing limits and suggested the possibility of Icelandic boats being allowed to take British herring in return for a British share of Icelandic cod.

● Norway has asked Iceland to increase the annual quota of fish caught inside its unilaterally-declared 200-mile fisheries limit, informed sources said in Oslo.

Officials in Oslo would not give figures, but the sources said Norway was seeking a much-higher quota than the 2,000-ton annual average catch of recent years, Reuter reports.

David Bell writes from Washington: The U.S. Senate voted yesterday to establish a 200-mile fishing limit off U.S. coasts, but the Bill, which has already been approved by the House, will not become law until July 1977.

This is to give the International Law of the Sea Conference more time to work out a world-wide agreement on fishing zones.

Both the State and the Defence Departments had attempted to delay a vote on the Bill until the conference. Their efforts have been prompted in part by awareness of the dispute between Britain and Iceland, both members of Nato.

But Senator Edmund Muskie, of Maine, who has many fishermen among his constituents, said little hope existed of any international agreement on fishing rights in the near future.

BP downgrades its N. Sea estimates

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH PETROLEUM has downgraded its estimate of its North Sea oil reserves by about 15 per cent. in spite of the initial success with the Forties Field development.

At the same time, the group has disclosed that the cost of developing the Forties Field has risen, in recent months, from £745m. to £800m.—virtually double the original estimate of costs. This latest increase is attributed to changes in the rate of exchange for sterling, capitalisation charges and development drilling costs.

Production from the Forties Field is expected to reach a peak of 400,000 barrels a day by the first quarter of 1977, some three or four months ahead of the schedule outlined last year.

However, the group is sticking by its estimates of the Forties Field's recoverable reserves—some 1.8bn. barrels—and its share of the Ninian Field (140m. barrels).

The latest figures are contained in the prospectus for BP's New York issue of $150m. of debenture stock. They indicate that the group's net proved reserves of crude oil in the U.K. is 2.47bn. barrels rather than the 2.85bn. being quoted last year. The reduced estimate was made in September, compared with the earlier estimate made at the end of 1974.

The downgrading can be attributed to uncertainties about reserves in two fields which have not yet been fully evaluated. Magnus, some 100 miles North-East of the Shetlands and Andrew, 145 miles North-East of Aberdeen.

But as BP itself said yesterday, the revised estimates carry no particular significance. Indeed, the British oil group has always taken a cautious attitude to proven reserves, as in the case of the Ninian Field where its estimates are well below those of the operators, Chevron.

A BP spokesman said yesterday that further drilling was under way on Magnus to establish the size of the geologically-complex discovery, made in July 1974. Even so, BP executives regard Magnus as one of the most exciting of the new finds.

Industry estimates have suggested recoverable reserves there of 700m. to 1bn. barrels which would make it one of the biggest fields in the U.K. sector.

The Andrew Field lies partly in BP's block 16/28 and partly in 16/27 operated by the Phillips group. So far, just one confirmation well has been sunk and studies of the field's commercial significance are being undertaken.

The downward revision of the U.K. net proved reserves is contained in an overall BP reserves figure of 7.6bn. barrels, down from 16.7bn. nine months earlier, largely reflecting ownership changes in the Middle East and Nigeria.

County seeks more police

By Our Derby Correspondent

DERBYSHIRE needs 2,000 special constables. Mr. Walter Stansfield, Chief Constable, yesterday launched a campaign to fill the gap.

He said that the special constabulary was nearly 2,000 short of its establishment of 2,532 and he was looking for volunteers aged between 18 and 43. They would receive a free uniform and a boot allowance.

THE LEX COLUMN

Tax injustices of nationalisation

Unless the Government changes its mind, companies on its nationalisation list will have to brace themselves for a new injustice: having proposed compensation terms which in some cases will be patently unfair, the Government is planning legislation which will enable it to tax the proceeds. The changes are promised for the 1976 Finance Bill, so there is not much time left for the shipbuilding and airframe manufacturers to make their cases heard.

Under the existing rules, a shareholder who receives compensation in the form of Government stock and subsequently sells that stock would have no gains tax liability provided the shares and the stock were together held for more than 12 months. Since nearly all the nationalisation companies are not directly quoted, but form part of larger groups, this in practice would make the tax threat extremely remote.

This will all be changed in the coming Finance Bill. The idea is that when shares in the nationalised company are handed over, any gain or loss stemming from the compensation terms will be assessed—and Capital Gains Tax will actually come into play when the stock is sold. In addition the compensation stock itself will be subject to the tax unless it is held for more than a year.

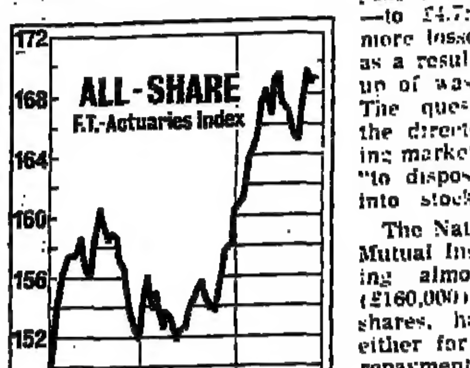
The particular injustice here stems primarily from the fact that unlike steel, nearly all nationalisation candidates in this instance are unquoted. The holding company that receives the compensation stock will be liable to tax on any capital gains, and should it then want to do anything so whimsical as *to pass the proceeds on to its* shareholders, the taxman will really have a field day. Not only will the company have to pay ACT, but the shareholder will be treated as having received a dividend, and taxed accordingly. That could take the tax rate up to 98 per cent.

On paper the worst victim of the changes would be BAC, since here there is a holding company plus its joint owners, GEC and Vickers, between the nationalised business and its shareholders. But the actual impact of the tax would be unpredictable and arbitrary. By taking sizeable dividends out of *the subsidiaries concerned,* some groups are hopeful that they have reduced the equity part of the compensation package—and thus the potential tax liability. A number of others *have tax losses* available to offset any liability, and for a third category of companies the proposed compensation terms are so far below asset values that tax losses rather than gains are probable. But the companies are, rightly, lobbying on a matter of principle.

Some of them have a second Capital Gains problem. A number of groups have separated out the assets of their nationalisation candidates into new companies in recent years: such inter-group transfers are not subject to capital gains—unless the assets are passed to a company which leaves the group within the next six years. But since we are here talking about enforced disposals, rather than any tax avoidance dodge, it would surely be wrong to enforce this section of the 1970 Income and Corporation Taxes Act.

The impact of the proposed change in the Finance Bill could be modified by extending the system of "roll over" relief (as suggested by Sandilands) in order to enable companies to reinvest the proceeds without having to suffer tax. But this would not help the company which had no real role to play without its nationalised assets. And it would reinforce the bias within the existing tax system towards the agglomeration of assets: bigness is best, at least for tax purposes. What the companies would really like is for their losses to be taken into account, but not their gains. That may be too much to hope for, even though just this concession was granted in 1969 to holders of steel compensation stock.

Index rose 5.1 to 404.6



Wilkins & Mitchell

Eyebrows tend to ... when a company which ... per cent. of its net worth ... first half-year, and cannot ... dict the second half ... with any certainty, asks shareholders to approve ... raising of its borrowing ... from one to one-and-a-... times capital and reserves. ... is easy to see why Wilkins & Mitchell is making the request ... for borrowings are already ... against a limit, based on ... year's accounts, of £5.5m. ... year the limit will come down—to £4.7m., if there are more losses—but debt is ... as a result of the recent ... up of washing machine stocks. The question is whether, the directors claim, a recovering market will make it possible "to dispose of all models ... into stock."

The National Farmers' Union Mutual Insurance Society, holding almost half the ... (£160,000) issue of Preference shares, has been negotiating either for a higher coupon or repayment. In the event ... Preference are to be redeemed at par four years early, a ... windfall. But there is no ... let-out for Ordinary shareholders, who moreover are given scant information on ... matters such as the intended volume of stockbuilding, ... likely peak level of debt, and Wilkins' assumptions about consumer demand.

It may be that Wilkins has more arguments on its side than it has yet produced to shareholders to justify what, at first sight, appears to be a very high risk policy. With the washing machine side down to a two-day week, for instance, stocks are no longer increasing, and the anticipated higher borrowings reflect the lagged impact of ... voluntary stockbuilding which has already taken place. As to demand, HP controls were relaxed last month, and there is said to have been a very recent upturn in the inflow of guarantee cards, which provide the first clues about what is happening in retail outlets. However Wilkins has not made a very serious effort to put these arguments over. The reason may ... be unconnected with the fact that nearly half the equity is in the hands of either the directors and their families or Thorn Electrical — and the latter's approval has been secured in advance. So it does not matter very much what the outside shareholders think.

Unions back report

BY JOHN ELLIOTT, LABOUR EDITOR

SENIOR electricity industry trade union leaders were jubilant last night that the Plowden committee had used such forthright terms to back their opposition to the TUC's 50-50 trade union-based worker directors plan.

During the past few months there has been constant infighting between the TUC's headquarters, which was pushing its plan, and some of the industry's main unions which were opposed to it — notably the EPTU and the Electrical Power Engineers' Association.

Plowden's rejection of the ideas is also important because it amounts to the first independent assessment of the TUC's ideas. It will obviously influence public debate on the subject and might even be taken into account by some members of the Government's Bullock inquiry on industrial democracy — even though this inquiry is limited to the private sector.

No Government action on industrial democracy in the electricity supply industry is likely to be taken for a year or so—although new legislation for the industry may be introduced before then.

This is because Ministers will want to await both the Bullock report and a separate internal report from the Treasury on industrial democracy in the nationalised industries. For this reason, any early legislation implementing the other Plowden industrial reorganisation proposals is likely to contain only an enabling clause on industrial democracy.

Now the industry's union leaders will try to urge alternatives to the TUC's plan on the Government. These may well be based on the EPEA's proposals that there should be no worker directors but that union influence should be extended by widening the field of collective bargaining and by creating formal machinery to give unions an involvement in the preparation of the industry's corporate plan. Such an approach would almost certainly be supported by the EPTU and by one of the other main unions, the General and Municipal Workers.

Last night the TUC refrained from commenting on the report although it would probably argue that its basic thesis that those running the industry should be made more accountable to the workers involved would inevitably involve a corresponding reduction in accountability to Parliament.

Mr. John Lyons, the EPEA's general secretary, however welcomed the report but felt that the non-executive nature of the proposed top Board would be a weakness. He also called for early legislation to ensure that the industry did not become a party political issue at the time of the next general election.

Continued from Page 1

Government—TUC concordat still secure

who inspired yesterday's calls for an emergency TUC conference.

The five-point plan drawn up by the TUC as part of a tough statement on unemployment was broadly in line with the policy agreed by the TUC-Labour Party Liaison Committee on Monday.

Mr. Murray stressed, though, that it was only a "short-term interim package" and would be followed by wider-ranging proposals in the TUC's annual Budget demands.

The five demands were: doubling the temporary employment subsidy from £10 to £20 a week, with a six-month ban on large-scale dismissals and advance introduction of new legislation on notification and consultation on redundancies; an extra £30m. for job creation in line with the Manpower Services Commission's proposals drawn up by its TUC and other Board members on Tuesday; an extra £55m. for training (also in line with MSC proposals); Government finance for the National Enterprise Board to finance industrial stock building; and action to stem imports and boost exports.

At the same time the TUC welcomed the Government's new price restraint scheme, but warned in its main statement that a failure by Ministers to move in the direction mapped out by the TUC on unemployment "could jeopardise the efforts of those who are striving to ensure the essential co-operation needed to overcome the economic difficulties facing the Government."

A more strident note was struck later, however, by Mr. Ray Buckton of ASLEF, the Locomen's union. He told a Financial Times conference that the Government faced "defeat over its sterile anti-inflation policies."

Wage rises were not the main cause of inflation, he said. "In the past, there has been a deplorable rate of industrial investment and a lack of adequate long-term planning.

"The laissez-faire attitudes of past Administrations have brought with them conditions under which the industry of this country have been unable to respond to the challenge of a modern society.

"If the Government's anti-inflation policy failed the Labour aPrty risked alienating itself from its support. "This would be disastrous not only for the Labour Party, the wider trade union movement and the work-people, but for the nation's future."

People would not tolerate for long a high level of unemployment. No one would allow unemployment to be used as a way to cut inflation. Full employment was a basic need to resolve the nation's difficulties. Inflation would be beaten by increased productivity.

The TUC's 3 per cent. target figure for higher economic growth needed selective investment and if the private sector failed to invest, the Government should invoke statutory powers for public ownership.

"If management fail in their task, they must be replaced in the same manner as the electorate will replace the Government should it be wanting in its duty to the community."

Richard Evans writes: The full extent of the divisions inside the Parliamentary Labour Party over economic policy are likely to be exposed at the end of to-day's Commons debate on employment.

Left-wingers critical of the Government's policy and the record level of unemployment will have an opportunity to vote against the Government's motion or abstain without any danger of a Government defeat.

This follows last night's decision by the "shadow" Cabinet to abstain on the Government's motion after voting for their own amendment.

Over 100 Labour backbenchers have now signed a Tribune Group amendment tabled by Mr. John Mendelson (Penistone) and most of these are expected to vote against the Government's motion or abstain to bring home to Ministers the strength of feeling in the party over the level of unemployment.

As the Tribune Group only claims a total membership of 80, their amendment has been backed by a significant number of uncommitted MPs.

Weather

U.K. TO-DAY

E. AREAS: Mainly dry. W. areas: Rain at times. Snow on hills in Scotland.

London, S.E., E. England, E. Anglia
Frost, then bright. Cold. Max. 2C (36F).

Cent. S., Cent. N. N.E. England, Midlands, Channel Isles
Cloudy. Rain or snow. Max. 4C (39F).

S.W. Scotland, Wales, S.W., N.W. England, Isle of Man, N. Ireland
Cloudy. Rain at times. Max. 7C-10C (45F-50F).

Rest of Scotland
Cloudy with rain or snow. Max. 6C (43F).

Outlook: Dry with sunny spells. Rain in W. Cold.

Lighting-up: London 17.03; Manchester 17.10; Glasgow 17.08; Belfast 17.20.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amsterdm.	Fg	−7	19	Madrid	C	2	36
Athens	F	14	57	Manchstr.	C	3	37
Bahrain	S	24	75	Melbourne	C	19	66
Barcelona	S	7	45	Mex. City	S	16	61
Beirut	C	21	70	Milan	S	3	38
Belfast	R	7	45	Montreal	Sn	−5	23
Belgrade	C	−4	25	Moscow	Sn	−10	14
Berlin	C	−7	19	Munich	Sn	−9	16
Birmgham.	C	2	34	Newcastle	C	−2	28
Bristol	C	5	41	New York	C	1	34
Brussels	S	−3	27	Oslo	C	−7	19
Budapest	C	0	32	Paris	F	1	34
B. Aires	S	22	72	Perth	S	33	91
Cairo	S	22	72	Prague	S	6	42
Cardiff	C	7	45	Reykjavik	C	−1	30
Cologne	S	−5	23	Rio de J'o	C	35	95
Copnhagn.	S	−4	25	Rome	S	8	47
Dublin	R	7	45	Singapore	S	29	84
Edinb'gh	C	4	39	Stockholm	S	−10	14
Frankfurt	S	−4	25	Strasbourg	S	−4	25
Geneva	C	−1	30	Sydney	C	25	77
Glasgow	C	4	39	Tehran	S	12	54
Helsinki	F	−11	12	Tel Aviv	S	22	72
H. Kong	S	19	66	Tokyo	S	7	43
Jo'burg	S	22	72	Toronto	C	−9	16
Lisbon	R	11	52	Vienna	C	−3	27
London	F	2	36	Warsaw	C	−7	19
Luxembg.	S	−4	25	Zurich	F	−4	25

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	10	50	Istanbul	C	13	55
Algiers	C	11	52	Jersey	F	5	41
Biarritz	S	10	50	Locarno	S	7	45
Blackpool	C	3	37	Majorca	S	10	50
Bordeaux	S	11	52	Malaga	S	13	55
Boulogne	F	0	32	Malta	C	8	48
Casablnca.	S	11	52	Nairobi	S	25	77
Cape Town	S	25	77	Naples	C	1	34
Corfu	F	10	50	Nassau	S	24	75
Dubrovnik	Sn	0	32	Nice	S	9	48
Faro	C	9	48	Nicosia	C	19	66
Florence	S	6	43	Oporto	C	11	52
Funchal	S	16	61	Rhodes	C	16	61
Gibraltar	F	12	54	Salzburg	C	−4	25
Guernsey	C	6	43	Tangier	F	11	52
Innsbruck	S	−3	27	Tunis	C	11	52
Inverness	C	1	34	Valencia	S	12	54
I. of Man	R	6	43	Venice	S	3	37

F—Fair. S—Sunny. C—Cloudy. R—Rain. Fg—Fog. Sn—Snow.

Snow reports Page 8

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